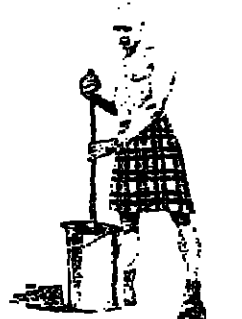


EUROPEAN  
MENT BANK

ESTABLISHED

Weekend



Do the Scots  
know who they  
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Anne Wood talks  
of her Teletubby  
fame - or infamy

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# FT

## FINANCIAL TIMES

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Weekend



Rogue trader?  
Or convenient  
scapegoat?

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Fifties femininity  
- like candy  
in a coalmine

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## Nato leaders vow to intensify air attacks on Serbs

By David Buchanan, Stephen Fidler and George Parker in Washington

Nato leaders yesterday vowed to step up the pressure on Slobodan Milosevic, the Yugoslav president, by intensifying their air campaign and supplementing it with an oil embargo and a possible naval blockade.

But they made no decision on a ground invasion, continuing to hold the option in reserve.

In a show of collective resolve, the 19 allied leaders said they would not allow the campaign of terror they said was being conducted by Mr Milosevic against ethnic Albanians in Kosovo to succeed. "Nato is determined to prevail," they said.

They would not compromise on Nato's demands for full withdrawal of Serb forces from Kosovo to allow refugees to return, accompanied by an "international military presence". So far, Mr Milosevic's peace offers, including the one relayed by Victor Chernomyrdin, the former Russian prime minister, this

week, "do not meet this test", Nato said.

Tony Blair, UK prime minister, said: "It's not enough, because it doesn't meet the demands that Nato has set out. But if it is an indication that Milosevic now realizes that we will carry on until those demands are met, then, to that extent, it is something that we should note."

Jacques Chirac, French president, said: "President Milosevic's response is completely insufficient. I'm not saying all this is useless but it does not correspond to the demands of the international community."

At the same time, Nato highlighted Russia's important role in searching for a solution to the Kosovo conflict. In its reference yesterday to an international military force in Kosovo, Nato said it "remains ready to form the core" of such a body. Previously it had said it must form the core of the force.

Despite Nato's strong words, the only new steps announced yesterday were intensified imple-

mentation of economic sanctions against Yugoslavia.

The alliance said it welcomed the European Union's lead in imposing an oil embargo on Yugoslavia, which is expected to come into effect in the middle of next week.

But over the objections of France, the leaders went further and said they would consider measures to stop and search shipping in Adriatic bound for Yugoslavia. Defence ministers were told to examine ways of halting the delivery of war supplies "including by launching maritime operations".

President Chirac had earlier questioned whether Nato had the legal authority to impose a naval blockade on Yugoslavia. He argued this was unnecessary because Nato had already bombed many of the bridges that could take oil from Montenegro into Serbia.

Setting out surrender terms for Mr Milosevic, Nato said it would suspend its air strikes once Belgrade had unequivocally met its



Shoulder to shoulder: UK prime minister Tony Blair and President Bill Clinton at yesterday's Nato summit

demands and had "demonstrably begun to withdraw its forces from Kosovo".

Nato missiles hit the headquarters of Serbian television early yesterday, killing at least 10 civilians.

But state-run broadcasts were shut down for only a few hours

and the attack was criticised by international media organisations and from Lamberto Dini, Italian foreign minister.

Kenneth Bacon, the Pentagon spokesman, also said two electrical transformers had been attacked in Belgrade, a widening of Nato's list of targets. "It is a

new class of targets, and the philosophy behind this was that these were dual-use facilities that powered command and control and other military facilities in the area," he said.

Kosovo Crisis, Pages 2 and 3  
Reluctant crusaders, Page 6

## Congress fails to form Indian government

By Mark Nicholson in New Delhi

Voters in India, the world's biggest democracy, may be asked to go to the polls for the third time in as many years after Sonia Gandhi, president of the Congress party, admitted yesterday she had failed to form a minority government.

Mrs Gandhi told K.R. Narayanan, president last night that she had insufficient support in the fractured parliament. But she said she would talk with "secular" parties to see if she could form an administration.

The prospect of a government headed by Mrs Gandhi, Italian-born widow of Rajiv Gandhi, the former premier, and inheritor of the dominant Nehru-Gandhi political dynasty, dwindled after the Samajwadi party, a regional socialist party with 20 MPs, and the Revolutionary Socialist party with five told Mr Narayanan they would not support a Congress-only government.

Both smaller parties had contributed to voting down the Bharatiya Janata party coalition a week ago, but resisted backing Congress because of political differences and because they face Congress as a political rival at state level.

The ousted Bharatiya Janata party claimed it retained the loyal support of 270 MPs in the 543-seat house. Mrs Gandhi said she had the backing of 233 MPs.

India's latest parliamentary turmoil was prompted by the withdrawal of support more than a week ago for the 13-month BJP coalition by a Tamil Nadu-based regional party, led by Jayaram Jayalalitha, a former film actress. If the president dissolves parliament, India's election commissioner will have to set a date for a poll within six months.

The commissioner is likely to favour elections in October to coincide with four state assembly elections.

## AT&T stock falls 10% after \$58bn bid for MediaOne

By Richard Waters in New York

AT&T set out on a campaign to win the support of a sceptical Wall Street yesterday, seeking to counter a 10 per cent drop in its shares that followed its attempt at a second giant cable television acquisition in less than a year.

The company's \$58bn bid for MediaOne, the fourth biggest cable company in the US, surprised many investors and analysts, who had thought that Ma

Bell had come to the end of its recent spate of acquisitions.

Thursday's unsolicited bid, the largest of its kind ever launched in the US, topped a bid of about \$58bn from Comcast, the third-largest cable company.

Comcast did not respond to AT&T's intervention yesterday, though some analysts suggested it could yet return with a higher offer of its own, perhaps with the backing of Microsoft, one of its biggest shareholders.

AT&T executives had suggested before this week that they did not need to pursue any more big deals, following several acquisitions that culminated in the purchase of TCI, the second-biggest cable company, earlier this year.

The company would pursue joint ventures with other cable companies, using their networks to carry its telephone signals into customers' homes, they had said. Yesterday, however, AT&T said

owning more networks outright was vital. "AT&T cannot afford to be simply a regional player - we must be a national player," said Michael Armstrong, chairman. "We did not think a joint venture was comparable to owning the [networks]."

The company added it was still pursuing a joint venture to sell its telephone service over the networks of the biggest cable company, Time Warner. That partnership would be cemented if it

bought MediaOne, which owns a 25 per cent stake in the Time Warner networks, AT&T said.

Time Warner said it believed the surprise takeover bid would not disrupt its planned venture with AT&T, but sought to distance itself from the takeover battle, since it has other partnerships with Comcast.

AT&T senior executives held a series of meetings with analysts and investors during the day in an effort to overcome fears that

the company was offering too much for MediaOne, and that other big bids might follow. The offer is equivalent to about \$4,700 for each of MediaOne's subscribers, AT&T said. MediaOne's shares jumped nearly 11 per cent to \$77.4 yesterday morning, below AT&T's cash-and-stock offer of \$87.4 a share.

Man in the news, Page 7  
Competitiveness test, Page 23  
Lex, Page 24

News General

### Beijing's UN action upsets US

The US expressed deep disappointment after China succeeded in squashing a US-sponsored resolution concerning Beijing's human rights record at the United Nations human rights commission in Geneva. Page 4

### IMF to offer credit to countries facing 'contagion'

The International Monetary Fund is to offer precautionary credit lines to countries with sound economic policies to protect them from "contagion" when financial crises strike in other states. Page 4; Editorial Comment, Page 6; Lex, Page 24

### Swiss deal secures professional tennis

Men's professional tennis seems financially secure after the announcement of a \$1.2bn deal between the ATP Tour and Swiss-based sports marketing company ISL Worldwide. Page 4

### Shared ownership lifts executive jet sales

By the 1980s, business jets had come to epitomise corporate greed, but last year new jet sales rose almost 50 per cent to 387, mostly as a result of the phenomenon of "fractional ownership" which offers huge savings by allowing companies to share aircraft. Page 7

### The Columbine shootings

Hollywood has quickly withdrawn a violent video and the NRA gun lobby has scaled down its national convention. The response suggests a new sensitivity to public pressure following the Colorado school massacre

Page 13

News Business

### Telecoms deal under fire in Italy

Three senior Italian ministers attacked the planned merger between Telecom Italia and Deutsche Telekom as signs grew that the proposed deal could be blocked by disagreement between the governments in Rome and Bonn. Finance minister Vincenzo Visco said the deal had the air of an "acquisition" by the German side. Page 24; Partners face hurdles, Page 23

### Hyundai to pay \$2.15bn for LG Semicon

Hyundai, South Korea's largest conglomerate, agreed to pay \$2.15bn (\$2.15bn) for LG Semicon to create the world's largest memory chip producer. Hyundai also announced details of its plan to cut its \$80bn debt, which could include the sale of its oil refining and steel operations. Page 24

### Bell Canada wins Brazil telephone contract

A consortium led by Bell Canada International won the auction for a licence to set up a telephone network in São Paulo, Brazil's wealthiest state, to compete with Telefonica, Spanish-owned operator of the existing privatised system. Page 24

### European markets end week on mixed note

European markets were mixed at the end of a week dominated by activity in telecoms, following the proposed Deutsche Telekom-Telecom Italia merger. High-tech stocks recovered from last week's plunge, powered by good results from Nokia and SAP, while Ericsson fell on disappointing first-quarter figures. Bonds, Page 8; Currencies, Page 9; London stocks, Page 17; World stocks, Page 21; Markets, FT Weekend Page XXV

### Japan's top brokers report losses

Nomura Securities, Japan's largest broker, posted a ¥397bn (\$3.32bn) group net loss due to large write-offs of domestic real estate loans and trading losses in overseas markets. Daiwa, the second largest broker, incurred a ¥127bn net loss and Nikko, the third largest, reported a ¥177.5bn net loss. Page 23

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# WORLD NEWS

## EUROPE

KOSOVO CRISIS MOSCOW REFUSED TO ATTEND THE WASHINGTON MEETING BUT NATO WAS FORCED TO DEAL WITH ITS PEACE INITIATIVE

## Russian spectre at the Nato summit

By Stephen Fidler in Washington, John Thornhill in Moscow and Guy Dinmore in Belgrade

Of the 43 governments invited to attend the Nato summit that started yesterday in Washington, only one turned down the invitation: Russia. Moscow refused to come in protest at the Nato bombing campaign in Kosovo.

But like the spectre at the feast, Russia is making its presence felt in Washington all the same.

Nato officials reacted uncomfortably to the possibility that Victor Chernomyrdin, the former Russian prime minister, could arrive in Washington this weekend with details of the agree-

ment for an international force in Kosovo that he mediated on Thursday with Slobodan Milosevic, Yugoslav president. This weekend especially, they did not want to be distracted from delivering a message that Nato is united.

Nato's leaders, led by Bill Clinton, Jacques Chirac and Tony Blair, were quick to dismiss the Milosevic offer as insufficient. But their governments, led by the US, have officially welcomed Russia's attempts to mediate in the crisis.

This encouragement is both, a senior US official said, because there is a wish for a continued dialogue with Moscow, despite the differences over Kosovo, and because there is a chance

Russia can play a genuine role in resolving the crisis - even if Russia still had the potential to be part of the problem in Kosovo rather than part of the solution.

Intensive US-Russian contacts led up to the summit, including a 45-minute conversation on Monday between Presidents Clinton and Boris Yeltsin. This was followed within an hour by a call between Igor Ivanov, Russian foreign minister, and Madeleine Albright, US secretary of state. James Collins, the US ambassador to Moscow, visited Mr Chernomyrdin twice, including on the eve of his visit to Belgrade.

"Russia was a quite constructive, persistent, responsible member of the contact

group [over Kosovo]... the Russians played pretty straight," said the US official.

Part of the problem with the Chernomyrdin proposal is that it is both vague and contradictory. Mr Chernomyrdin said he had persuaded Belgrade to permit the introduction of international peace-keeping troops into Kosovo.

"Yugoslavia has agreed to the presence in Kosovo of forces from other states," he said on returning to Moscow. "Military forces. There's a war going on there."

But the Yugoslav foreign ministry said yesterday Mr Milosevic had agreed to "a UN, unarmed presence, an observer presence in Kosovo". A Russian diplomat

confirmed this was Belgrade's position, but added that this was no reason to despair.

"One should start to bargain," he said.

One possible compromise that Mr Chernomyrdin would push for, he said, was an armed, UN-led force that would exclude Nato member states. "The UN may save everybody," he said, setting moves to next week's great store on NATO's agenda.

Vyacheslav Nikonov, president of Politika, a Moscow think tank, said 92 per cent of Russians opposed Nato's actions in Yugoslavia, but the vast majority - like Mr Yeltsin, but unlike his more extreme opponents - also opposed allowing Russia to be dragged into a Balkans conflict.

President Yeltsin appears to be using Mr Chernomyrdin's peace initiative for

## Oil embargo to tighten Serb squeeze

By David Buchan in Washington

Nato leaders yesterday welcomed the lead taken by the European Union in imposing an oil embargo on Yugoslavia, and, overruling France's objections, indicated they might impose a stop-and-search blockade of oil tankers in the Adriatic.

The Washington summit declaration on Kosovo called for "intensified implementation of economic sanctions and an embargo on petroleum products, on which we welcome the EU lead". EU states are expected to give final approval on Monday to their oil embargo, which should come into effect in the middle of next week.

The leaders said they also had directed their defence ministers "to determine ways that Nato can contribute to halting the delivery of war material including by launching maritime operations".

Jacques Chirac, French president, earlier told the summit Nato did not have legal authority to impose a maritime oil blockade of Yugoslavia, which he argued had been made largely unnecessary by Nato bombing of the rail and road link between Serbia and its partner republic, Montenegro, which borders the Adriatic.

The French president said Nato had only to complete the destruction of Serbia's transport links with Montenegro for its supplies of fuel imported by sea to dry up totally. He argued Nato should be relatively relaxed about fuel arriving in Montenegro - whose pro-western president, Milo Djukanovic,

is in open dispute with Belgrade - provided the fuel does not go on to Serbia.

French aircraft have been involved in raids on rail bridges between Montenegro and Kosovo. Yesterday's Nato declaration says any "maritime operations" should take into account "the possible consequences on Montenegro".

In his briefing to Nato leaders General Wesley Clark, alliance commander, reported that on three recent occasions the Serb army in Kosovo had to halt its advance for lack of fuel. Nato has repeatedly bombed Serbia's oil refineries and fuel depots. Many in the alliance have questioned the point of these attacks if new oil supplies were still coming in through the Montenegro port of Bar.

Robin Cook, UK foreign secretary, stressed yesterday: "One of the choke points we can apply to Yugoslavia is its military's access to fuel." He added all allies were "clear on the need for an effective oil embargo", even if they might differ on the means of achieving this.

It was not immediately clear from yesterday's declaration whether "the war material" that might be halted by maritime operations would include oil. Earlier this week, Thomas Pickering, US under-secretary for political affairs, argued that last year's United Nations Security Council resolution 1160 banning sale to Yugoslavia of arms and arms-related material could be interpreted to justify a maritime oil blockade.

### KOSOVO UPDATE

#### German accused of spying

The German foreign ministry said a German journalist held by Yugoslav police for the past week had been accused of spying.

The ministry and the journalist's employer, commercial television station SAT-1, denied the charge.

The ministry said it was not clear where the journalist, Pit Schnitzler, 56, was being held. He disappeared on April 16 after leaving Belgrade bound for the Croatian capital Zagreb. He had previously reported that his car, equipment and mobile phone had been seized at gunpoint by police in the garage of the Intercontinental Hotel in Belgrade.

#### Romania counts war costs

Romania's leaders began adding up the costs of the Yugoslav conflict and called for a programme to rebuild all of south-eastern Europe once peace was restored.

Radu Vasile, prime minister, said a month of Nato bombing raids on Yugoslav targets had cost the already impoverished ex-communist country \$730m.

Government sources said losses attributable to Nato bombings included \$616m to industry and trade and a further \$11m to transport.

#### French on home alert

Jean-Pierre Chevènement, the French interior minister, has instructed officials across the country to be on the lookout for possible violence linked to the Kosovo conflict.

Government officials have been urged to keep an eye out for trouble and security has been stepped up at certain tourist sites and the embassies of countries involved in the Nato operations in Yugoslavia.

The goal of the alert was "to step up precautions without becoming alarmist", an official said.

## Nato attack on TV station criticised

By Guy Dinmore in Belgrade

On the eve of Nato's 50th anniversary celebration, laser-guided Nato missiles reduced much of the headquarters of Serbian television to rubble in the early hours of yesterday morning. At least 10 civilians were killed, but state-run broadcasts were shut down for just a matter of hours.

The attack brought immediate rebuke from international media organisations and from Lamberto Dini, Italian foreign minister.

One section of the television building in central Belgrade was totally destroyed, as well as a children's theatre next door. The transmission tower was mostly undamaged. Officials said over 100 staff were inside when the missiles struck at about 2am.

Radio-Television Serbia (RTS), which was showing the news, including an interview with Slobodan Milosevic, the Yugoslav president, when it was cut off, restarted transmission with pictures of its own destroyed building and what it said were victims of the attack being treated in hospital. Serb officials said they feared up to 20 more bodies were buried in the rubble.

"I don't believe that this was in the plan," Mr Dini said at the Nato summit in Washington. He described the attack as "terrible", adding: "I disapprove."

Asked if there was now a risk that Nato's bombardment would target non-military objectives, he said:

"There is that risk, but it is not automatic."

Rescue workers with heavy machinery struggled throughout the day to extract corpses and survivors from the wreckage. One man had to have his leg amputated on the spot before he could be freed. Another could be heard crying out for water from inside the twisted mass of concrete. Some 20 people were seriously injured.

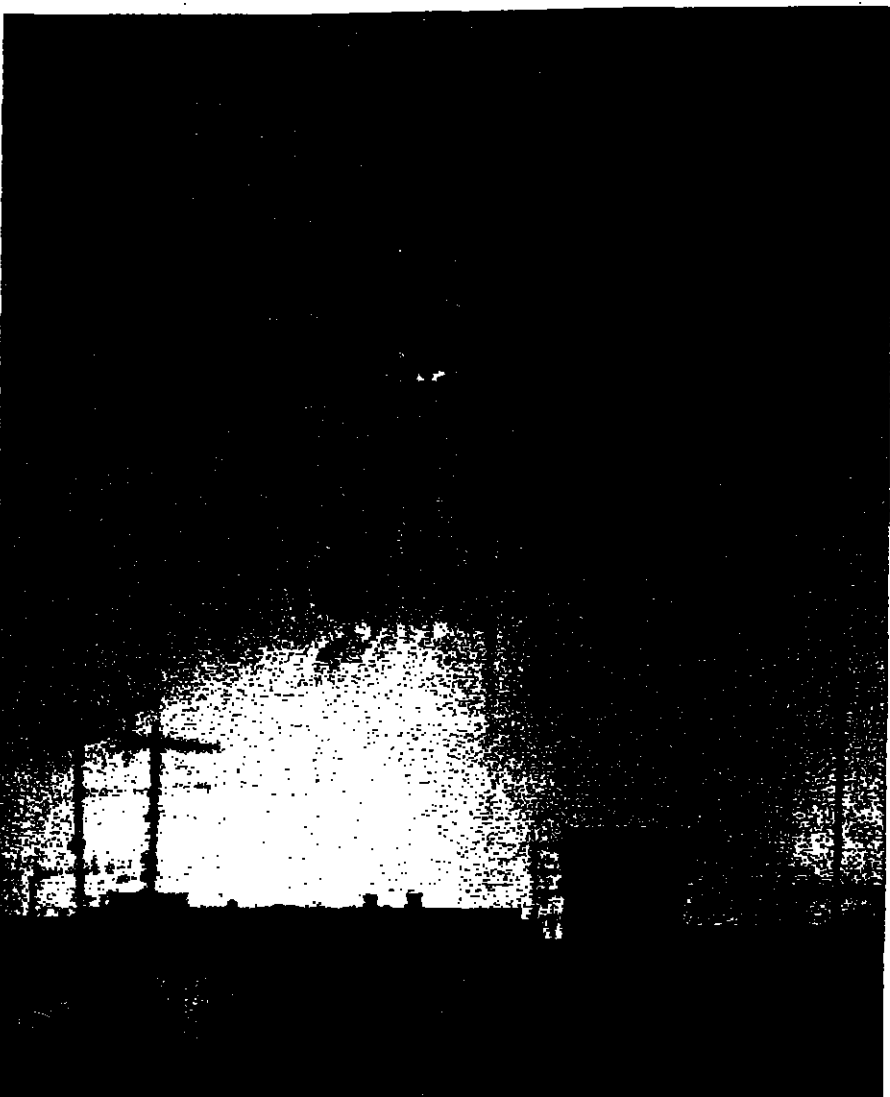
Instead of weakening the powerful propaganda tool of Mr Milosevic, Nato's attack may have strengthened it. All three channels of RTS were soon broadcasting again, from a different location which engineers said had been prepared in advance.

Nebojsa Vujovic, foreign ministry spokesman, said the attack was "an attempt to silence the truth... but lies and deception have an expiry date". Nato, he said, was celebrating its 50th anniversary yesterday with "its hands stained with blood".

A Nato spokesman defended the attack, saying RTS was as legitimate a military target as the Yugoslav army because of its role in spreading "lies and hatred" that fuelled the conflict in Kosovo province. But last week Nato had indicated only unmanned relay stations would be destroyed. Several killed at least 10 people to put RTS off the air for a few hours. The International Federation of Journalists condemned the bombing,

which it said was counterproductive and set a violent precedent putting all journalists at risk.

Crowds gathered, mostly in silence, to view the wreckage yesterday. Some Serbs muttered criticism of Russia for not coming to the aid of Yugoslavia after more than a month of daily bombardments. Others questioned why the building had not been evacuated, as were the official residence of Mr Milosevic and the headquarters



A Nato strike hits the headquarters building of Serb television

Reuters

united in their condemnation of the attack. It was "a serious violation of the principle that journalists should not be targeted", said Dejan Anastasijevic of the Serbian weekly Vreme. "If the idea was to damage the propaganda machine of Mr Milosevic it failed, because it is still broadcasting. They killed at least 10 people to put RTS off the air for a few hours." The International Federation of Journalists condemned the bombing,

which it said was counterproductive and set a violent precedent putting all journalists at risk.

Crowds gathered, mostly in silence, to view the wreckage yesterday. Some Serbs muttered criticism of Russia for not coming to the aid of Yugoslavia after more than a month of daily bombardments. Others questioned why the building had not been evacuated, as were the official residence of Mr Milosevic and the headquarters

of the rolling Serb Socialist party before their destruction earlier in the week.

The attack has also undermined the position of western correspondents in Belgrade. One journalist from a Nato member state received an anonymous message that he was now regarded as a "legitimate" target. Serbian police yesterday expelled a British correspondent for The Guardian, the latest of several reporters ordered to leave. No reason was given.

## EU may impose fresh Serbia sanctions

By Peter Norman in Brussels

European Union foreign ministers will consider further sanctions against Yugoslavia at a meeting in Luxembourg on Monday after member states yesterday speeded the procedure for completing agreement on the oil embargo decided earlier this week.

Some of the proposals under study would target associates of Slobodan Milosevic, the Yugoslav president, while others would widen prohibitions on export finance and investment imposed last year. The Dutch government has suggested banning Yugoslav sports participation.

One idea is that an existing travel ban on persons considered responsible for the repression in Kosovo should be extended to cover all senior Yugoslav and Serbian ministers and officials as well as business people closely associated with the Milosevic regime.

Another possibility would be to extend the freeze on funds held abroad by the Serbian and Yugoslav governments to persons associated with Mr Milosevic and companies controlled or influenced by the two governments.

Ministers will also discuss whether to add private export finance to an existing ban on government financed export credits and proposals to close loopholes in an existing ban on EU investment in Yugoslavia.

Signalling the EU's determination to tighten the economic noose around Yugoslavia, member states aimed to complete agreement on banning the sale and supply of oil and petroleum products to Yugoslavia, worth \$63m (\$67m) last year.

Germany, the present holder of the EU presidency, will approach countries associated with the EU and Yugoslavia's neighbours to obtain support for the measure. The ministers will also discuss allocating €100m of funds to countries directly affected by the crisis of refugees leaving Kosovo. According to European Commission officials, Albania is likely to receive €22m and the Yugoslav federal state of Montenegro €12m.

## Cost to travel trade begins to mount

By Elizabeth Robinson and Scheherazade Daneshkhu

Travel and tourism companies stand to lose \$100m from the impact of the Kosovo conflict, but this number will multiply if the war spreads beyond its current borders, according to PricewaterhouseCoopers.

Alastair Graham, head of central and eastern Europe leisure operations at the accountancy firm, said at least 13 cruise companies had changed or cancelled their Danube voyages.

"There is concern because people remember what happened in other conflicts," he said.

Carnival Corporation, the Miami-based cruise operator, said on Monday that bookings for its eastern Mediterranean itineraries had slowed and expected the conflict to hit earnings. The operator has shifted its Adriatic itineraries away from ports near Yugoslavia.

Some tour operators, particularly those specialising in holidays to Greece and the Ionian islands, said anxious holidaymakers were calling up to seek advice. Dudley der Parthou, director of UK-based Sunvil Holidays, said there had been a big slowdown in bookings to Corfu since Easter but few cancellations.

"People are naturally concerned because they look at a map and see it's fairly close. When there's uncertainty people put off booking a holiday."

The travel industry is focusing on the reaction of the American market with memories of the sudden fall-off in US visitors to Europe after the 1991 Gulf war.

The American Society of Travel Agents said: "Some of our agents have found clients just aren't comfortable travelling but that has not been widespread."

Expectations before the war were for a strong year for tourism in countries neighbouring the region. Hotel occupancy rates and room yields in the first two months had been up.

Mr Graham said: "Greece and the Adriatic are already seeing some effect. It's a pity because that area had just begun to get back on its feet."

## Blair maintains his hawkish stance

By George Parker in Washington

Tony Blair yesterday reaffirmed his image as Nato's most hawkish leader over Kosovo, urging the alliance to reject out of hand Slobodan Milosevic's latest peace offer.

Mr Blair also argued strongly against inviting Victor Chernomyrdin to the Nato summit, suggesting the former Russian prime minister would be better off returning to Belgrade for further talks.

The prime minister has been credited in the US

media with pushing President Bill Clinton towards accepting the possible need for an early use of ground troops in the province.

His hardline stance has been acknowledged by senior US administration officials, who said Britain was the most "forward leaning" of the allies over the use of ground forces.

Mr Blair has risked isolating Britain in pushing for the use of infantry and armour against a "diminished" Serb army in Kosovo. But the Washington Post yesterday said Mr Clinton had been won over, with the

front page headline: "Clinton joins allies on ground troops".

Other Nato allies, including Italy, have been less impressed with the way Britain has attempted to toughen the Nato line. Mr Blair has used his well-known media machine to try to mould the political agenda at the summit, with pre-emptive briefings.

"The prime minister's official spokesman yesterday became the first to dismiss suggestions Mr Chernomyrdin might attend the Nato meeting today. Robin Cook, foreign secretary,

repeated the message later, explaining Nato could not accept any settlement which excluded Britain, the US and other Nato combatants from an international force in Kosovo.

Mr Cook explained the importance of winning the media war by defending the Nato attack on a Serb television station, which he claimed was the source of "poisonous propaganda".

He dismissed international criticism of the attack and said Britain would step up its own broadcasting in the Balkans. The BBC would be increasing its output of Serb,

Albanian and Macedonian programming in an effort to broadcast "the truth" about the Kosovo conflict.

Britain is sending extra forces to the region in preparation for an international force to Kosovo, which would be in place next month.

Meanwhile, speaking at the ceremony to mark Nato's 50th anniversary, Mr Blair paid tribute to the "vision and courage" of Nato's founders, saying: "Reversing the hideous policy of ethnic cleansing is the best anniversary memorial Nato could have."

SIEGE OF WASHINGTON WORKERS GET DAY OFF AND PEOPLE STAY HOME AS POLICE CLEAR THE DECKS FOR NATO

## Motorcades through a ghost town

By Gautam Malkani in Washington

Washington residents yesterday eased into their first day in a semi-police state, which has been engineered to clear the streets for the smooth procession of the Nato summit and all its motorcades.

Prophecies of traffic gridlock and subway chaos, and sharpshooters prowling the newly sparkling streets, were obviously heeded: most people stayed at home.

"It's like a ghost town, except for the police," said Stephen Cowan, a Northern Ireland geography student at the University of Toronto. In Washington to conduct field research on changes to the urban landscape, he found most of his concrete subjects

lay in the middle of the Federal Triangle, an area cordoned off as in former East Berlin, where only those with secret service credentials were allowed to set foot.

"We went to take a photo of another building and a policeman with a gun and nightstick shouts down 'No photos!'" added his colleague, Stephen Finlay.

Many locals - including up to 90,000 federal employees - were given the day off work, perhaps raising their opinion of an international organisation some had questioned after five weeks of air strikes.

Dennis Comerford, a 28-year-old rollerblader who works in a museum behind the concrete barricades, was

making the most of a three-day weekend. "I've been waiting for years to rollerblade down some of these streets," he said.

However, pockets of the city buzzed with protesters from across the country, hoping the silence would help carry their cries to the record number of dignitaries in town for the Nato event.

Simon Kalaj, an Albanian interpreter from New York, and his brother, Stephen, stood outside the White House draped in Albanian flags, while dozens behind them waved the Stars and Stripes. He said he had no problems with Nato celebrating while it was carrying out air strikes against Serbia.

"Hopefully they'll come to a resolution and over-

power Milosevic," he said. On the other side of the White House, beneath the Washington Monument, the stage was set for very different sentiment. Banners read: "50 years is enough, de-nuke Nato". Puppets of delegates were scattered by the stage and recordings from Woodstock boomed from loudspeakers blocks away from the Ronald Reagan building, where 19 Nato heads of government were discussing the Kosovo crisis.

Melanie Maycock, an environmentalist, said the long-planned event was supposed to be an anti-nuclear demonstration but many, like herself, "got involved a few weeks ago because of the current bombing campaign". However, tourists, many of

them caught unawares, did not welcome the Nato event. Roxanne Gilliland, a retired schoolteacher from Texas, said most of her party of 21 from the First Baptist Church in Royce City had ventured out of Washington for the day. Her hotel was only three blocks from one of the few tourist attractions open this weekend at the Smithsonian Institute, "but we've walked in a big loop. We're getting some exercise, though".

Nonetheless, tourists were lucky to obtain hotel rooms in a city flooded with those not put off by the restrictions.

Some 3,000 reporters covering the Nato event were the only people left for security forces to control.

FINANCIAL TIMES  
Published by The Financial Times (Europe) GmbH, Neuhangplatz 1, 40118 Frankfurt am Main, Germany. Telephone +49 69 156 840. Fax +49 69 156 441. Registered in Frankfurt by Colin A. Kaminski as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholders of the Financial Times (Europe) GmbH are Pearson Overseas Holdings Limited, 3 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address.

GERMANY:  
Responsible for Advertising content: Colin A. Kaminski, Printer: Hiltrop International Verlagsgesellschaft mbH, Adolph-Rosen-Strasse 3a, 63303 Neu Isenburg (Hessen) 0174 7343. Responsible Editor: Richard Lambert, of The Financial Times Limited, Number One Southbank Bridge, London SE1 9HL.

FRANCE:  
Publishing Director: P. Marchetti, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 576 8234. Fax (01) 576 8231. Printer: S.A. Nord Eclair, 15721 Rue de Clichy, F-91000 Evry-Courcouronnes. Editor: Richard Lambert, ISSN 1148-2753. Commission Paritaire No 678002.

SWEDEN:  
Responsible Publisher: Bradley P. Johnson, Telephone +46 8 791 2345. Printer: AB Kvalitetstryck, Expressen, PO Box 6007, S-400 06, Göteborg.

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KOSOVO CRISIS A BITTER HISTORY AND ENDURING ETHNIC AND FAMILY TIES MEAN THE BORDERLAND BETWEEN MACEDONIA AND KOSOVO IS DEEPLY UNSTABLE

# Land where family means so much more than borders

By Hugh Barnes in Jazinc

Two or three times a week units of the Kosovo Liberation Army (KLA) cross the border into Kosovo from the tiny village of Jazinc just inside Macedonia. KLA members herd sheep and goats before them to explode hidden landmines in the mountain passes. Occasionally they clash with Macedonian or Yugoslav army patrols on their way.

Bekim, a goatherd from Jazinc, was using a school exercise book to note the zig-zagging movements of Yugoslav sentries in the hope of producing a map of safe paths through the minefields. "We are doing tactical manoeuvres, bringing food and guns, if we can get them, to our brothers in Kosovo," said Bekim, who described himself as a liaison officer for the KLA.

The fraternal traffic moves both ways. Last week, about 3,000 ethnic Albanians, many of them gravely ill with cholera and tuberculosis, were herded into no-man's-land by Serb forces, and then left by Macedonian border guards to sit in the mud for up to three days.

A handful of Yugoslav soldiers walked cheerfully past

these medieval scenes, and over to the other side of the border to drink cups of sugary coffee with their Slav Macedonian counterparts.

"They're probably related," an aid worker said of the coffee drinkers. "Cousins, or whatever. That's the way it is in this part of Macedonia."

The traffic is emblematic of a deeply unstable borderland between Macedonia and Serbia's Kosovo province, a part of the world in which the ties of ethnicity and family are strong while the frontiers, drawn up for largely internal symbolic purposes by Josip Tito after the war, are weak.

Nobody understands this better than the people who live here. The official map of the Republic of Macedonia does not acknowledge Jazinc, the small ethnic Albanian village which has become familiar to households across the western world because more than 100,000 refugees have crossed here from Kosovo over the past month.

The last place to be acknowledged by Macedonia's mapmakers on the road from Tetovo to the Kosovo border is Rogachevo, a predominantly Slav village.



Kosovar refugees crossing into Macedonia

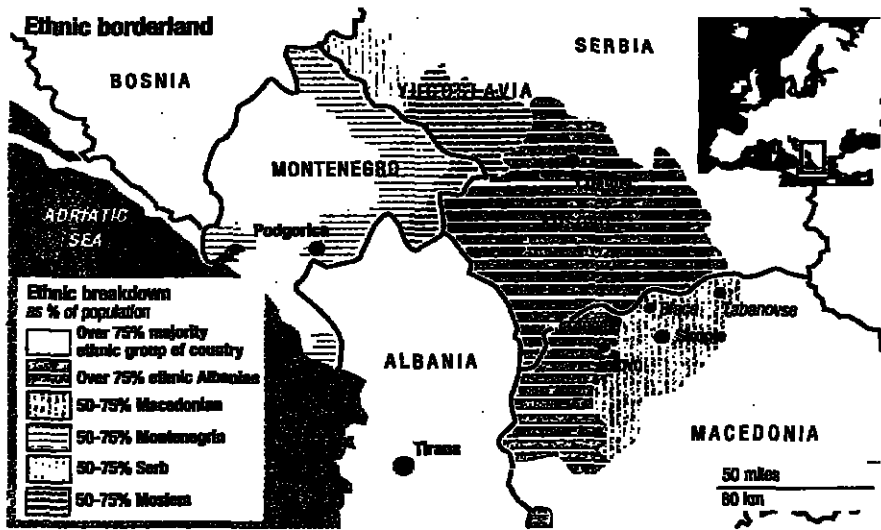
"They pretend we don't exist because we're Albanian," said Jazinc Kamberi, a 20-year-old student. "It's as if Macedonia really ends in Rogachevo. Because this is hostile territory."

I asked Mr Kamberi if there were any ethnic Albanian recruits in the Jazinc battalion of the Macedonian Army. "Of course not," he replied. "It's not our army. Our army is the KLA."

Mr Kamberi conceded there was probably "some truth"

in reports of a KLA presence on the Macedonian border, as he climbed a narrow track outside Jazinc overlooking the bright yellow building that the Yugoslav army is using as a barracks.

Further up the hill, past the small white mosque now full of blankets and food and other humanitarian aid for the refugees, past the women swathed in black tending vegetable plots and the befezzed farmers carrying out mattocks, one got a



sense of the nearness of Serb forces only 150 metres away. The Macedonian army has a redoubt perched on a razor-back of limestone with dugouts built horizontally into the cliff like sand-martins' nests. On this occasion it was deserted but for a stray dog that barked intermittently at a Serb patrol crawling with ant-like diligence through the minefield in the distance.

It is the porous nature of this border with Kosovo that

makes Macedonia's Slav population nervous. Last Monday, the Nova Makedonija newspaper hinted that soldiers from the Kosovo Liberation Army were among 200 refugees whom Albanians from the Jazinc region had illegally smuggled over the border at the village of Tabanovo.

Slav anxiety has been given full vent in the pro-government newspapers during the last few weeks. "Kosovo moves into Macedonia,"

yelled a headline in the daily Vester.

The article reported the concerns of Ljupco Georgevski, the nationalist prime minister, that the fragile equilibrium of the tiny republic would be upset if large numbers of ethnic Albanians decided to remain in Macedonia once the Kosovo crisis was over.

To ease public fears, the Skopje government has stepped up measures to control the border traffic. In

Jazinc, for example, Macedonian troops intercepted a Kosovo Albanian convoy in no-man's-land last weekend. Troops and border police also prevented an illegal border crossing by 27 members of the KLA, who responded to warnings and turned back peacefully.

The aid worker suggested the delay in processing the refugees at the Jazinc and Blace crossings from Kosovo was perhaps deliberate, a bureaucratic version of the open disgust expressed by Macedonian soldiers for ethnic Albanian refugees.

"You have to remember that the last thing they want is hundreds of thousands of displaced people moving into the country and then stirring things up by preaching resistance to Slav authority and the dogma of a Greater Albania among their fellow Muslims here."

It may already be too late to stop. In villages such as Jazinc, Greater Albania is no longer seen as just an intoxicating vision.

"I know history," Mr Kamberi said. "This is Albania, not Greater Albania - which is just Belgrade's propaganda - because Kosovo belonged to Albania, and so did this region too."

## Turkish nationalists savour big advance in general election

Nationalism has replaced Islam as main form of political protest, says Leyla Boulton

Party campaigners were told to shave every morning, avoid white socks, and cut down on their consumption of garlic.

Turkey's Nationalist Action party (MHP) worked hard for its meteoric rise to become the second largest group in parliament in general elections last Sunday.

With nationalism replacing Islam as the main form of political protest in Turkey, the party owed its stunning victory largely to public disgust with squabbling mainstream politicians and delight at the capture of Abdullah Ocalan, leader of the banned PKK guerrilla group.

The party's new leader, Devlet Bahçeli, a fastidious 50-year-old economist who is particularly averse to white socks, was instrumental in giving the party a new air of respectability that enabled it to widen its popular support to 18 per cent of the vote.

"I wanted to give them a try because they are honest, they don't lie, they don't exploit religion, and they are brave in the fight against the PKK," said Hilmi, a 20-year-old student celebrating victory at the party's headquarters in downtown Ankara's Carnation Street.

But after two decades on the fringes of Turkish politics, the ultra-nationalist MHP is still more frequently associated with a violent past than its claim to lie at the centre of the political spectrum suggests. Its extreme rightwing militants, known as Grey Wolves, played a key role in political street killings which triggered Turkey's last military coup in 1980.

More recently, unsolved or attempted assassinations of leftists, human rights activists and Kurds are believed to have involved some collusion between far-right gunmen and security forces sympathetic to the MHP.

The party counters that in the past few years it has shed its extremist elements, and Tunca Toskay, the MHP's urban deputy chairman, points out that all Turkish politicians have moderated their stance since the turbulent 1970s. He notes for instance that associates of Bülent Ecevit, the former leftwinger who came first in the election "used to wave red flags".

After failing to pass the threshold for entering parliament in 1995, the party drew support from the poor and unemployed in big cities as well as professional people and academics.

Ramazan, an unemployed 34-year-old in Adana, an industrial centre on the fringes of the mainly Kurdish south-east - voted for the MHP to stop Kurdish "separatists" from trying to "break up Turkey".

His first wife was Kurdish and like many Turks he thinks Kurds have no need for special rights beyond those enjoyed by all Turkish citizens.

A faithful party member, he was also promised a job as a driver for the city administration in the event of an MHP election victory.

Large sections of the police and military special forces at the forefront of the war against the PKK are bastions of MHP support. While adopting impeccable reformist views on most other subjects, the party is ferocious in denying that Turkey's Kurdish problem is anything other than a "terrorist" one.

At the other end of the social scale, Kamil Ugurlu, an architect and environmental expert at Selcuk University, was recruited as the party's candidate for mayor of Konya, an important cultural centre, as part of MHP efforts to woo middle-class voters.

While his wife served tea and cakes in their plush

## UK revokes Kurd TV licence

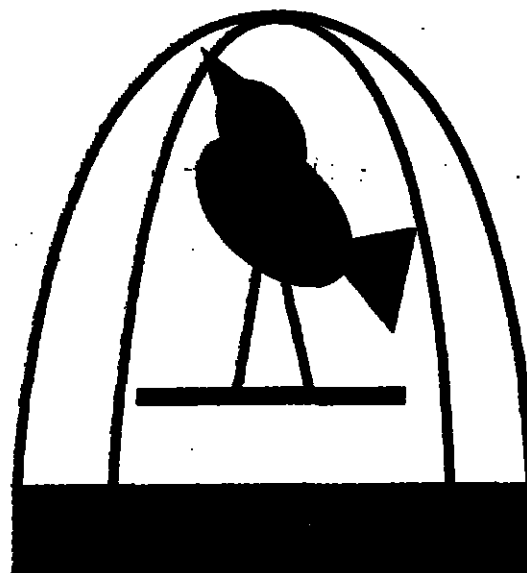
Britain's TV watchdog yesterday revoked the broadcasting licence of Kurdish satellite channel Med TV, which Turkey argues is a mouthpiece for armed separatist rebels.

The Independent Television Commission said it revoked the licence because broadcasts contained statements "likely to encourage or incite to crime or lead to disorder". This takes effect in 28 days.

villa, Mr Ugurlu complained about Konya's lack of town planning and demonstrated the use of ancient Turkish agricultural tools adorning his sitting room wall. "The MHP is the only party which simultaneously is open to the world and defends our cultural colours," he says.

Founded in the 1960s to fight communism and aid Turkic nations beyond Turkey's borders, the party's first vocation was made redundant by the collapse of communism. At the close of the 20th century, however, its nationalist mission has found ample new justification - ranging from "ethnic cleansing" of Moslem Kosovars to Turkey's perceived humiliation by the EU, which, as Mr Toskay says, has admitted newer east European applicants "while keeping us at the door".

But even on the Kosovo conflict, party officials admit there is little that the Nato member can do independently of the alliance. "Our feet are firmly on the ground: we are not Don Quixotes," says Mr Toskay. Many liberal Turks, shocked by Sunday's result, have been somewhat reassured by such MHP utterances over the past week. Now they are waiting to see whether the MHP, which says it wants a stable "left-right" coalition with Mr Ecevit, can deliver.



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## INTERNATIONAL

## IMF to offer anti-contagion credit

Plan agreed to protect countries with good economic policies, reports Robert Chote

The International Monetary Fund has agreed to offer precautionary credit lines to countries with sound economic policies to protect them from the sorts of financial crises that have swept emerging markets over the past two years.

The details of the proposal, originally mooted by US President Bill Clinton last autumn, were agreed at a marathon session of the IMF board on Thursday. National capitals were expected to ratify the scheme last night.

The scheme will operate alongside the IMF's existing "supplemental reserve fac-

ility" established in December 1997 to provide big loans to countries facing a catastrophic loss of market confidence.

The new facility is supposed to protect innocent bystanders from "contagion" when crises strike in other countries.

Countries can qualify for a "contingent credit line" if they are following good policies that would not normally be expected to require the Fund's financial help.

They will need to have a clean bill of health from their latest "Article Four" consultation with the Fund

and to keep policy on track.

Applicants will also need to observe international codes of conduct, covering statistical, monetary, financial and fiscal policies. If they need to draw on the credit line, they must also be prepared to further tighten their policies in an agreement with the Fund.

Applicants also need good relations with private creditors. There is no automatic requirement to agree parallel credit lines with the private sector, as some board members wanted, but in practice the Fund is unlikely to look favourably on an applicant which is unable to borrow in the market.

Credit lines will be avail-

able for a year and will be renewable, but the amount available will not be agreed upfront.

To draw money, a country must show it has been a vic-

**'Scheme will prevent need for larger rescue packages'**

tim of contagion: namely that it is facing a crisis for reasons largely beyond its control, triggered by developments in other countries.

Only at this stage will the

IMF board decide how much money the country will receive.

Like the supplemental reserve facility, the credit line will have no formal access limit. But in practice the sum is likely to be 300 per cent to 500 per cent of the applicant's "quota" or shareholding in the Fund. This would imply access of up to \$17.5bn for Mexico, \$5.8bn for Chile and \$14bn for Argentina, for example.

At the insistence of some directors, including Germany and Switzerland, the Fund has agreed it might ration the amount available if its liquidity is under pressure because of heavy demands. At present the

Fund has \$76bn in uncommitted resources, plus \$45bn available under pre-arranged credit lines.

Finance ministers and central bankers are expected to hail the scheme as an important achievement at the IMF's spring meeting next week.

But some officials doubt that countries will be quick to take advantage of the facility, for fear of making investors more nervous about the possibility of a crisis. Michel Camdessus, the IMF managing director, has argued that the scheme will save the Fund money by forestalling the need for larger rescue packages when a crisis has hit.

## China quashes move by US on rights

By Frances Williams in Geneva

The US yesterday said it was "deeply disappointed" after China succeeded in quashing a US-sponsored resolution condemning Beijing's human rights record at the United Nations human rights commission in Geneva.

Washington nevertheless derived some small diplomatic comfort from the success, by one vote, of a resolution against Cuba.

The 53-member UN commission voted by 23 to 17 with 14 abstentions in favour of a "no-action" motion by China, which meant the US resolution, also backed by Poland, could not be debated or voted on.

Beijing has defeated every resolution against it in the commission since 1990, the session that followed the student killings around Tiananmen Square in Beijing in June 1989.

Last year, the US and the European Union decided not to sponsor a resolution in favour of pursuing a human rights dialogue with China. But in putting forward the resolution this year Washington said that the human rights situation had signifi-

**China was backed by many developing nations, which accused the US of double standards on human rights**

cantly deteriorated. The resolution expressed concern about alleged abuses, including unfair trials and harsh sentences handed out to political activists and "increased restrictions" in Tibet.

European nations, Canada and Japan joined the US in voting against China's no-action motion.

However, China was backed by many developing nations which accused the US of double standards on human rights and of using the human rights commission to placate domestic political interests.

US officials said yesterday that Washington would continue to press Beijing to bring its human rights practices into compliance with UN principles, beginning with ratification of the international covenant on civil and political rights which China signed last October.

The Cuban resolution, tabled by the Czech Republic and Poland, was adopted by a one-vote margin with 21 votes in favour and 20, including China and Russia, against. There were 12 abstentions.

The resolution, also backed by Germany, France and the UK, expressed concern about "continued repression" in Cuba and urged the release of all prisoners jailed for religious and political beliefs.

However, it did not call for the reappointment of a special investigator.

The human rights commission last year rejected a US-led resolution against Cuba after adopting similar resolutions in the previous seven years.

Denouncing the resolution this time, Cuba accused the US of getting "docile military allies to do its dirty work".

## Tokyo's new governor does things his way

By Michio Nakamoto in Tokyo

Under a steely grey sky that threatened an imminent downpour, the band in mock military uniform played "My Way", the tune made famous by Frank Sinatra, as Shintaro Ishihara arrived for his first day on the job as Tokyo governor.

Familiar to almost any Japanese, and an old-time favourite of many elderly men in particular, the tune will have had ominous reverberations for Tokyo city employees anxious to get to know the man who will be their boss for the next four years.

Mr Ishihara, known to be an independent spirit with a tendency to speak his mind, chose the song himself, as if to signal the new order to come.

The former best-selling novelist turned politician, who is known outside Japan for his book, *The Japan That Can Say No*, which was co-written with Akio Morita, founder of Sony, has given

Tokyo city officials plenty of cause for apprehension.

Even before his inauguration, he was at the centre of controversy both in and outside Japan.

Earlier this week, the deputy chief of public relations in China's foreign ministry accused Mr Ishihara of being insensitive to Chinese feelings by playing down Japanese atrocities in the 1937 Nanjing Massacre.

At the same time, the Chinese Communist party newspaper, *The People's Daily*, warned that Mr Ishihara's recent comments that the Nanjing massacre was a fabrication and that he would be seeking formal ties with Taiwan "could seriously undermine Sino-Japanese relations".

Back home, the head of Japan's Defence Agency was forced to deny the possibility that Japan would seek the return, or joint use with the US military, of Yokota Air Base. This was one of Mr Ishihara's campaign promises.

Mr Ishihara's campaign pledges to restrict the use of private cars in Tokyo and tighten emission laws on diesel trucks have triggered concerns that his style of using the stick of regulation rather than the carrot of incentives will be costly, divisive and, ultimately, ineffective.

Of equal concern to city officials are his proposals to privatise city services and reduce the number of new city workers by two-thirds.

As he addressed city officials for the first time, Mr Ishihara sought to tone down the rhetoric which has won him enemies as well as friends.

"I was told that my expressions are rather harsh," he admitted.

Mr Ishihara may be in conciliatory mood, but he is unlikely to be free of controversy for long.

Having appealed to family values during his campaign and presented the picture of proud fatherhood with his four sons, Mr Ishihara was



Tokyo Governor Shintaro Ishihara: An independent spirit

yesterday under pressure to justify his calls for a greater focus on morality.

As he took his first tentative steps towards co-operation with city officials yesterday, a widely circulated

weekly magazine featured an article on Mr Ishihara's fifth, illegitimate son, who is recognised by the governor as his own, but was unknown to most Tokyoites before the election.

## \$1.2bn boost for professional tennis

By John Barrett in Monte Carlo

The future of men's professional tennis seems to be financially secure following the announcement yesterday of a \$1.2bn commercial agreement between the ATP Tour and ISL Worldwide, the Swiss-based sports marketing company.

Under the terms of the deal, the biggest in tennis history, ISL has guaranteed to pay the ATP \$120m annually for the next 10 years in return for exclusive marketing, television and licensing rights in the "Super 9" tour-

naments, and the end-of-season ATP world championship, both of which will be revamped for the start of next year.

The ATP would not reveal what it currently earns from marketing and television rights, but indicated the new contract would boost its revenues from competitions by about 17.5 per cent. Tennis may make even more from the deal if ISL generates income above \$1.2bn, with the surplus being divided among the ATP, the organisers of the Super 9 and ISL. Although the deal is an

ambitious undertaking by ISL, Daniel Beauvois, the company's managing director, is confident of finding the 10-12 big corporate partners and the four to six official suppliers needed to provide the bulk of the funds.

Mercedes-Benz, the German motor company which contributes approximately \$11m a year under the present contract, has already agreed to continue its association with the Tour. It has reported improved brand awareness and increased sales in the markets where the Mercedes-sponsored

Super 9 tournaments take place - the US (Indian Wells, Key Biscayne, Cincinnati), France (Monte Carlo, Paris), Germany (Hamburg, Stuttgart) and Canada (Montreal).

ISL already handles the marketing of the Olympic Games and football's World Cup, and the company believes multinational companies are looking to increase their emphasis on sports sponsorship.

"Tennis has all the elements that appeal to a broad international audience and is an ideal sport for television," said Mr Beauvois.

However, untangling the 200 or so existing sponsorships and the individual television contracts for the nine tournaments will be a complex and time-consuming business, and could take two or three years to complete.

As part of the changes to professional tennis next year aimed at broadening the sport's appeal and making it more easily understood, the ATP Tour will introduce a year-long points race that will determine who will become World Champion for 2000.

## China tourists out to fleece Aussie sheep

By Gavin Robinson in Sydney and James Harding in Shanghai

Given the growing Chinese penchant for sheepskin coats, sheepskin car covers and lambswool sweaters, it has been an alarming week for Australian sheep.

China has granted Australia "approved destination status", making it possible for the first time for ordinary Chinese to get a holiday visa to visit a western country.

The trickle of Chinese visitors to Australia is set to become a torrent of package holidaymakers from the people's republic, delivering billions of dollars to Australian tour operators and shopkeepers - particularly those selling sheepskins.

Don Morris, chairman of the Australian Tourist Commission, said the decision to approve Australia for Chinese holidaymakers "opens the door to the world's largest single source of potential visitors". He said Chinese tourists might inject about A\$6.5bn (US\$4.2bn) into the Australian economy over the next decade.

The number of mainland Chinese visitors to Australia is expected to reach half a million by 2007, compared with just over 75,000 Chinese who visited last year, most on business, official or guest visas.

Until this week, China had granted its "approved destination status" to only a few Asian countries - Singapore, Korea, Thailand, Malaysia and the Philippines.

Under the bilateral agreement signed this week in Shanghai, Australia became the first western country to join the list of officially approved tourist destinations for China's small but burgeoning numbers of

overseas holidaymakers. Jackie Kelly, Australian tourism minister, described the deal as the most significant tourism event of the decade and said it opened up a "new jobs bonanza for Australia".

Australian officials said China's decision to confer approved status was particularly timely for Australia as it tried to recoup tourism business lost in the wake of Asian economic crisis. International visitors to Australia dropped by 4 per cent last year to 4.1m. Tourism accounts for about 10 per cent of Australia's gross domestic product and brings in about \$16bn annually in export income.

Fewer than 3 per cent of Chinese citizens hold private passports. The majority of Chinese who travel overseas must apply for special travel documents which allow one-off visits for business or government purposes, or for recreational travel to one of the approved destinations. And only a tiny fraction of the population in China, where even urban incomes are commonly less than \$100 per month, could afford to holiday abroad.

Chinese tourists to Australia will be restricted mainly to group travel and their destinations are expected to be capital cities and resorts such as the Gold Coast. The number of Chinese arrivals is expected to increase steadily, rather than skyrocket.

Judging by the limited numbers of Chinese visitors to Australia so far, they are interested in "simple curiosities of western life" and like to shop for opal jewellery, souvenirs of the forthcoming Sydney 2000 Olympic games and, most of all, sheepskin products.

## NEWS DIGEST

## CHINA-US TRADE NEGOTIATIONS

## Negotiators to reschedule talks on entry to WTO

Chinese and US trade negotiators ended two days of talks in an attempt to close a World Trade Organisation deal yesterday "without obvious results", the official Chinese news agency reported last night.

However, the two sides "will continue their talks on the remaining issues of China's accession to the WTO in the future", Long Yongtu, China's chief negotiator on its WTO bid, was quoted as saying.

The comments were made following another meeting with Robert Cassidy, the US assistant trade representative sent to Beijing to restart discussions after the near-miss on an agreement when Zhu Rongji, prime minister, visited Washington earlier this month. James Harding, Shanghai

## SOUTH KOREAN MARKETS

## Futures exchange launched

South Korea yesterday launched its first futures exchange after the lack of a system to hedge risks was blamed for contributing to the nation's recent financial crisis. It will trade four products, including dollar/won futures and options, three-month certificate of deposit interest rate futures and gold futures.

But liquidity is expected to remain low since the Korea Stock Exchange retains control of stock price index futures, a rapidly growing trading sector. The futures exchange hopes to include interest rate futures on three-month Treasury bonds by July. The futures exchange was opened in Pusan, Korea's second largest city.

The 11 member companies of the exchange include the Hyundai and Samsung groups, financial institutions and commodities traders. John Burton, Seoul

## MACAO POLITICS

## Banker favourite for leadership

Edmund Ho, a Macao banker, yesterday emerged as clear favourite to become the Portuguese enclave's leader when it returns to Chinese rule in December. Mr Ho won 125 of the 200 votes of a China-appointed selection committee in the first-round ballot. He appears well ahead of his only challenger, Stanley Au, also a banker, who won 65 votes.

Three candidates failed to secure the necessary votes to enter the second round of voting on May 15.

Both candidates are known as moderate pro-business community leaders with friendly relations with Beijing.

Mr Ho, executive director of Tai Fung Bank, said last week his focus would be on law and order, public security and the economy. Reuters, Macao

## EAST TIMOR TALKS

## Portugal-Indonesia accord

Portugal and Indonesia have completed agreements on East Timor that will be signed in New York on May 5 after the Indonesian government approves two of the documents, Kofi Annan, UN secretary-general, said yesterday.

The agreement follows two days of talks between Ali Alatas, Indonesian foreign minister, and Jamie Gama, all Portuguese counterpart, with Mr Annan to seek tentative agreement on a UN autonomy proposal for East Timor to pave the way for a ballot on the territory's future.

Violence on the half-island territory has intensified since Indonesian President B.J. Habibie - in a surprise reversal - announced in January Indonesia would grant the Timorese independence if they rejected autonomy. Indonesia invaded East Timor in 1975 and later annexed it. The UN is planning to oversee a July ballot that will determine if East Timor's 800,000 people want to break free. Agencies

## Portugal recalls blossoming of the 'carnation revolution'

Restraint and tolerance have helped to prevent violence as the country has built on the military coup of 25 years ago

By Peter Wiles in Lisbon

Miguel Guterres has let his beard grow for three days, as behind a tank manned by young soldiers with red carnations in their rifle barrels. People in the crowd in the Lisbon square raise their arms and begin to chant: "Vitoria, vitoria".

A sound engineering student, Miguel was born eight months after the scene he is helping to re-enact as an extra in a film about the left-wing military coup which, 25 years ago tomorrow, launched Portugal's "Revolution of Carnations".

"I felt moved when we all started to cheer," he says. "I would have liked to have been there and taken part. This was a truly romantic revolution that was largely successful in avoiding violence."

Most Portuguese are gripped by similar emotions as they celebrate the anniversary of the overthrow of the most enduring dictatorship in western Europe and the ending of long colonial wars in Africa. The carnations that grateful flower-sellers threw to the soldiers are today a national symbol of freedom.

Miguel, like most Portuguese, believes the coup was crucial in setting the country on a path toward parliamentary democracy. But there are dissenting voices. José Saramago, the Nobel

prize-winning novelist, raised controversy recently when he said: "Portugal would have arrived exactly where it has today if there had been no revolution."

Mário Soares, the former Socialist leader who played perhaps the most important role in Portugal's transition to democracy, sees this as the view of a disillusioned Communist who would have liked Portugal to become a European version of Cuba. This was the aim of some military leaders of the revolt, who were inspired by the radical socialism of the African independence movements they were fighting.

"We are doing away with the rich in Portugal," a young army captain told the late Chief Palme shortly after the coup. "Remarkable," replied the Swedish social democrat. "For years in Sweden we have been trying to do away with the poor."

However, the subsequent restraint of revolutionary officers like that captain helped ensure that few lives were lost. When the time came, radical officers chose to abandon their utopian socialist ideals rather than shed blood.

"Entering into a civil war would have been totally irresponsible. The idea never entered my head," says Otelo Saraiva de Carvalho, the chief military strategist of the coup, who in the ensuing months sought to steer Portugal towards a "people's democracy" of local assem-

bles and workers' committees. "The ties between officers were so strong that we could not have turned our guns on each other."

In November 1975, a failed push for power by the far left brought an end to a brief romance with revolutionary socialism and set the stage for the military to bow out of politics. The fears of western governments that a Soviet-influenced Portugal would shut itself off behind a "sardine-can curtain" dissolved.

Mr Saraiva de Carvalho's refusal to align with the November revolt or to sanction the distribution of arms was crucial to the victory of moderate forces. Looking back, he believes this was the pivotal moment when the revolution returned to its original goal of establishing a parliamentary democracy.

If the revolution got rid of the rich, it was only temporarily. The handful of powerful families that dominated the economy during the 48 years of the authoritarian regime fled into exile. Their assets, including more than 90 per cent of the banking system, were nationalised by a pro-communist government in 1976.

When Portugal began privatising assets in 1989, it was mainly former owners, or their heirs, who returned from abroad and bought them back. António Champalimaud, 30, an industrial magnate under the previous regime, today heads a large financial group and is the country's richest individual.



The Portuguese mark a coup that brought democracy

Portugal showed similar tolerance towards the leaders of the old regime and the political police, the Pide, that served it. Marcello Caetano, the prime minister who took over from the ailing António de Oliveira Salazar in 1968, where he died. A few Pide officers served relatively short prison terms.

"I was always against judging the old regime. Portugal needed to forgive, forget and move on," says Mr Soares, 74, who served three terms as prime minister and two as president.

The country also showed remarkable resilience when it peacefully absorbed more than half a million refugees from its former African colonies at the height of revolutionary turmoil in 1975.

Portugal's hasty withdrawal from its former overseas possessions, several of which remain afflicted by conflict and poverty, is felt

## Blair accuses of industry liquidation

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THE ECONOMY MIXED REACTION TO 'SOFT LANDING' SIGNALS

# Latest data confirm promise of growth

By Richard Adams, Economics Staff

There was official confirmation yesterday that the UK economy had ceased to flounder with the possibility of a recession. The Office for National Statistics announced that economic activity continued to expand in the first three months of this year, though by the barest of margins.

Growth in the first quarter was 0.1 per cent compared with the final quarter of last year, the ONS said. That dragged annual growth down from 1.1 per cent to 0.7 per cent - the slowest rate of expansion since the current recovery started in 1992.

The ONS put growth in the service sector at 0.4 per cent compared with the previous quarter, with most of the impetus coming from the "distribution" sub-sector, which includes retailing.

Without giving specific numbers, the ONS said it expected that the industrial and manufacturing sectors experienced falling production during the quarter. And within the service sector there was only weak or moderate growth.

The exception was retailing, where the ONS said it expected a "strong quarterly increase", in the same magnitude as the 1.1 per cent increase in retail sales volumes published earlier this week.

Some City economists hailed the new figures as a sign of the first "soft landing" for the economy for 35

## Market abuse probe delayed

Plans for tougher penalties against market abuse are to come under further scrutiny after a parliamentary committee failed to resolve concerns about whether these would breach the European Convention on Human Rights, George Graham writes.

A joint House of Commons/House of Lords committee examining the government's plans to overhaul the regulation of the British financial services industry will still report next week, as planned, but is to take another month to examine proposals on areas such as price manipulation or insider trading.

Serious concerns have been raised about the government's plans to allow the Financial Services Authority, the industry's regulator, to fine people for market abuse under civil procedures, without providing the legal protections usually required for criminal prosecutions. The committee is expected to take more evidence from the Treasury and others.

years, although other analysts remained cautious. The ONS's first estimate of gross domestic product is prone to revision, and is likely to be updated when more details become available. The 0.1 per cent growth could easily

be revised down to a 0.1 per cent contraction.

Michael Saunders, the UK economist at investment bankers Salomon Smith Barney Citibank, the investment bank, pointed out that the recent slowdown continues the divergence between growth on this side of the Atlantic and the United States.

The gross domestic product figures confirmed what many analysts, including the respected National Institute for Economic and Social Research, had forecast. Salomon Smith Barney Citibank said it had cut the risk of a recession from 40 per cent to 10 per cent.

The news came after a week of strong economic data, showing a rebound in consumer confidence, retail spending and stronger personal borrowing.

"The interesting question is not whether we are close to a recession, but is the pick-up happening now?" said Martin Weale, director of the national institute. Mr Weale said there was no strong case for further cuts in interest rates by the Bank of England, the UK central bank.

David Hillier, UK economist at Barclays capital investment bank, said that he expected growth to be stronger in the second quarter of the year, and has revised his estimate of annual growth from 0.5 per cent to 0.7 per cent.

The ONS cautioned that its first estimate was only provisional data.

# Notting Hill film may climb to worldwide wealth

Universal Pictures gives its latest British production the Hollywood hit treatment, reports Alice Rawsthorn

A photo opportunities go, it should be hard to beat the spectacle of Julia Roberts flying into London for the world premiere next Tuesday of her new film, *Notting Hill*, with co-star Hugh Grant and his girlfriend, Elizabeth Hurley. Ever since she made her name by appearing at the 1994 premiere of *Four Weddings and A Funeral*, clad in a safety-planned Gianni Versace frock, Ms Hurley has rarely disappointed the paparazzi.

They must be salivating at the prospect of the woman who attended a (male) friend's wedding last summer flashing leopard-print underpants, striving not only to trump that outfit but also to outshine Ms Roberts.

If Universal Pictures, the company releasing *Notting Hill*, has its way, the premiere will be only the beginning. *Four Weddings* became the highest-grossing British film ever by earning £161.4m (\$260m) at the global box office, and Universal is convinced *Notting Hill*, made by the same production team as *Four Weddings* but with Julia Roberts's Hollywood stardom, should do better.

"It's a fantastic film, which is 99 per cent of the equation," says Stewart Till, president of Universal's international distribution subsidiary. "The only thing that makes me nervous is that our expectations are so high."

Every other British blockbuster has been what the industry calls a "sleeper hit", or a cheaply produced film that succeeds unexpectedly through word of mouth. *Four Weddings* fell into



Highest grossing UK-produced films

1. <i>Four Weddings and A Funeral</i>	260
2. <i>The Full Monty</i>	250
3. <i>Notting Hill</i>	238
4. <i>Shakespeare in Love</i>	71
5. <i>Wilde</i>	67
UK box office	
1. <i>Notting Hill</i>	28
2. <i>Shakespeare in Love</i>	52
3. <i>Wilde</i>	18
4. <i>The Full Monty</i>	12
5. <i>Four Weddings and A Funeral</i>	42

that category with its \$4.5m production budget; as did 1997's *The Full Monty*, which cost even less, but grossed \$250m. The only exception is *Bean*, made by Working Title, the Universal production subsidiary behind *Notting Hill*. *Bean* cost \$18m and was aggressively promoted because its producers could capitalise on the popularity of the Mr Bean TV series.

*Notting Hill* will set a precedent as the first British film to be launched in the same way as an expensive Hollywood "event movie", or surefire hit. If Universal's confidence is vindicated, its success could persuade other producers to make more ambitious pictures. If *Notting Hill* founders, they may conclude the only successful British films are quirky, low-budget surprise hits.

In theory, *Notting Hill* has everything it needs to succeed. It was allocated a \$45m production budget, 10 times higher than *Four Weddings*. Julia Roberts signed up for a fee of nearly \$15m, although her asking price has since rocketed to \$20m since the triumph of her 1997 romantic comedy, *My Best Friend's Wedding*.

*Notting Hill*, about the accident-prone romance between Hugh Grant, a London bookseller, and Julia Roberts, the world's most famous film star, was shot in west London last spring and summer. After it achieved record scores at US and UK test screenings last autumn, Working Title began to research promotional strategies.

"The biggest issue was striking a balance between the romantic and comedic elements of the film," says David Kosse, Universal's head of international marketing. "For most countries, the trailer and TV spots will emphasise comedy to make it appealing to men, as well as women. But for the US, where it takes a couple of minutes for Americans to adjust to foreign accents, even English ones, we've gone for romance."

Another important issue was timing. Early summer is usually a good time for romantic comedies, but Working Title, like other production companies, was concerned about the risk of competing against the new *Star Wars* film, coming out in the US in early July.

*Notting Hill* will debut in UK cinemas on May 21, and in the US on May 28, giving it six weeks to build an audience before *Star Wars* swamps the multiplexes. It will then be released in other countries throughout the summer.

"We've pulled out all the stops," says Mr Till. "And if... *Notting Hill* is a big hit, I hope it will make the rest of the UK industry more confident about making bigger-budget films."

# Blair accused of industry liquidation sale

By David Wighton, Political Correspondent

Tony Blair, the prime minister, was yesterday accused of launching a "closing down sale for British industry" after urging US companies to make more acquisitions in the UK.

Critics pounced on comments he made in the US about the strong financial links between the two countries. In a speech in Chicago, Mr Blair quoted figures showing that nearly half the \$24bn US companies spent on foreign acquisitions last year went on British companies. "We would like it to be more," he said.

John Redwood, the Conservative trade and industry spokesman, claimed Mr Blair had "put up a 'for sale' sign" on British companies. "Even Margaret Thatcher never proposed a grand liquidation sale for Britain."

He said it was "very insensitive" of the prime minister to make such a suggestion at a time when many manufacturing companies were struggling to stay afloat. "Tony Blair obviously knows something we don't about the profit outlook for British industry and wants to sell it off before there is nothing left."

Mr Redwood suggested that Mr Blair should have said that he wanted to see US companies investing more in the UK rather than buying up more British companies.

But Downing Street stuck by the prime minister's words. "What he was saying was that there is a strong two-way traffic of invest-

ment between the two countries and he wanted to see that prosper."

In his speech to the Economic Club of Chicago, Mr Blair pointed out that "Chicago was home" to many of Britain's most important inward investors such as Motorola, Sara Lee and RE Donnelly. "Nor is the traffic all one way. British investment in Illinois generates some 46,000 jobs, making us the biggest foreign investor in the state. And the London futures exchange is working alongside your Board of Trade and Mercantile Exchange to lead the revolution in electronic trading."

The figures on acquisitions quoted by Mr Blair came from research compiled by the corporate finance arm of KPMG, the accountancy firm. This showed that US companies made \$124.7bn of cross-border acquisitions in 1998, of which 40.3 per cent was spent in the UK. Although the US figure was a 50 per cent increase on 1997, it was topped by UK companies that made \$127bn of acquisitions overseas in the same period.

In his speech, Mr Blair referred to the historic business connection between the city and Britain. "Marshall Field opened their first overseas buying office in Manchester in 1870. One of Field's shop assistants subsequently opened his own store in London in 1906. His name was Harry Selfridge."

Selfridge employed the architect who designed Chicago City Hall to build his store in London's Oxford Street.

# Call to break up 'cartel' in fund sector

By Jane Martinson, Investment Correspondent

Leonard Licht, a founding father of Mercury Asset Management, the UK's leading pension fund manager, believes the industry is now too concentrated, too conservative and too much of a cartel.

After more than 30 years in the industry, he said, "The cartel of five or six cart horses needs to be broken up. There has got to be a bit of fresh air let into the industry because it's stagnating."

His comments come as the pension fund sector endures a period of angst over the responsibilities of fund managers, consultants and their clients.

The recent spat between the pension fund of Unilever and Mr Licht's former employer has brought fundamental tensions in the industry to light. Unilever is investigating a case for compensation after Mercury underperformed its benchmark by 10 percentage points in 1997.

In speaking out against the system, Mr Licht is echoing other industry experts, notably leading investment consultants, who believe that the pension fund industry has become too consolidated.

"To start with, you must give the small people a chance," he said.

Industry estimates suggest that the big five fund managers - Mercury Asset Management, Schroders, Phillips and Drew, Gartmore and Morgan Grenfell - controlled about two-thirds of externally managed pension fund assets at their peak.

# Blockbuster move set to close gender reading gap

By Simon Targett, Education Correspondent

Boys should be turned on to reading with a diet of blood-curdling and action-packed stories that overturn the "uncool" image of literature, the government said yesterday.

Under new guidelines to be unveiled next month, boys will be encouraged to read such boisterous "boys' own" blockbusters as the adventure tales by Robert Louis Stevenson, thrillers by Raymond Chandler and the translation of Homer's *The Iliad*, recording the Trojan war.

It follows mounting evidence that there is a grow-

ing "gender gap" between boys and so-called "can-do" girls, which, if it is not closed, could undermine the government's crusade to raise standards.

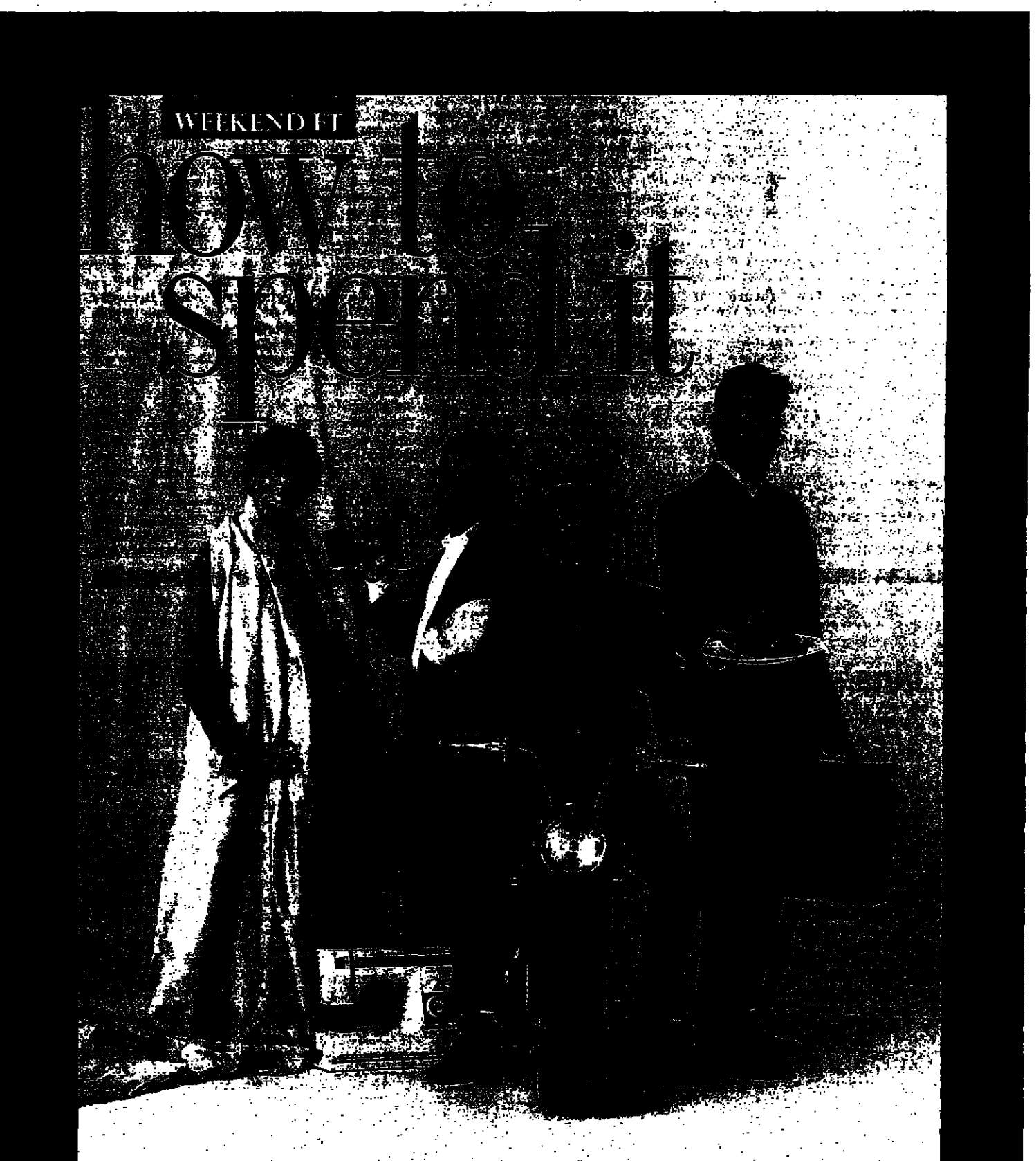
David Blunkett, the education secretary, who has promised to resign if national literacy targets are not reached by 2002, has told the Qualifications and Curriculum Authority, a government body, to prepare a revised national curriculum for September 2000.

Estelle Morris, school standards minister, said: "No stone must be left unturned in getting boys to read," adding that "there are some books which have content that boys prefer to read."

Mr Blunkett's advisers said yesterday that the government wants teachers to steer boys away from authors such as Jane Austen and the Brontë sisters and towards more "boy-friendly" texts.

Robert Louis Stevenson, author of *Treasure Island* and *Kidnapped*, "may be more likely to appeal to boys, and teachers should be aware of that."

The national literacy target is for 80 per cent of 11-year-olds to reach the expected standard for their age by 2002. Yet last year 66 per cent of 11-year-old boys achieved the expected standard in English compared with 80 per cent of girls.



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## FINANCIAL TIMES

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Saturday April 24 1999

Over the hump  
(well, maybe)

The meetings of the world's economic and financial elite in Washington this weekend take place against a backdrop that has a pleasingly post-crisis feel about it. Investors have regained their faith in the growth prospects of many emerging market economies. The International Monetary Fund, in its latest World Economic Outlook, projects an increase in world output from a depressed 2.3 per cent this year to a more respectable 3.4 per cent in 2000.

Meanwhile the robustness of the US economy continues to offset malign developments elsewhere, most notably in Latin America. Nowhere in the developed world is inflation much in evidence. The scene is well set for a rebalancing of global growth after a year in which US consumers and investors accounted for nearly half of the increase in world demand. IMF economists now argue that a soft landing is possible in the US, leaving Europe and Asia in a position to take up the running. But will the actors perform their allotted roles?

One plausible alternative scenario is that the US will continue to surprise by surpassing the IMF's growth projection of 3.3 per cent for 1999 compared with 3.9 per cent last year. If the rest of the world underperforms, gratitude will once again be in order. Yet the danger in high growth persisting in the US is that the slowdown will be more abrupt when it comes, with a renewal of inflationary risks, a sharp stock market setback in response to monetary tightening, and a fall in demand as consumers attempt to rebuild their savings.

Another equally plausible outcome is that the rest of the world will fall to come in on cue or with sufficient impetus. Japan may bottom out this year in response to a huge fiscal stimulus and a return of confidence in the banking system, but it is hard to see a significant boost to global demand from Japan for the foreseeable future.

## Cyclical downturn

So much depends on Europe, where Britain is now in a cyclical downturn. As for the recovery in continental Europe, the big three economies - Germany, France and Italy - have been flagging since the turn of the year. Although consumers are in a thoroughly cheerful mood, business confidence has been deteriorating. The biggest worry is Germany, where the new finance minister Hans Eichel this week warned that the growth target for 1999 might be missed. Even after the

European Central Bank's half point cut in nominal interest rates, the real rate of interest in Germany does not offer much help.

Nor is the near-10 per cent devaluation of the euro against the dollar quite as helpful to German exporters as it appears. The euro's predecessor currencies had a significant run-up before the introduction of economic and monetary union on January 1. Italy is similarly stagnation-prone, having suffered disproportionately from the loss of export opportunities in Asia. It is at one with Germany in being afflicted not only by inadequate domestic demand, but also by a marked reluctance to address the rigidities of its labour market. Others in the euro-zone - even France under Lionel Jospin - are better placed.

Global markets appear nonetheless to have concluded that the worst is over in Europe. As in the US, European equities have seen a shift in investors' preferences towards cyclical stocks, implying renewed optimism about growth prospects. Many analysts argue, too, that the euro-zone is seeing a structural shift from mature industries towards the newer sectors that have helped propel high growth rates in the US.

## Creative destruction

Certainly there is a measure of creative destruction under way. Yet there are limits to what such restructuring can achieve in the absence of a more serious attempt to reduce the respective costs and penalties of taking on and shedding employees, or indeed to re-train employees moving from old to new industries. From a wider perspective, it is unclear what burdens the horrors in Kosovo might impose on the European economy.

If the US tries in the Group of Seven this weekend to apply more pressure to the Europeans to take up the global economic baton, it will not achieve a great deal. Even if the ECB were susceptible to such pressure, looser monetary policy would further weaken the euro and thus encourage an even bigger US trade deficit. Looser fiscal policy would be hard to reconcile with Europe's perversely pro-cyclical stability and growth pact.

If global growth is successfully rebalanced, it will, on past form, be the result of muddling through rather than inspired international co-operation. It is hard to quarrel with the IMF economists' assertion that the risks are still on the downside. We await the post-post-crisis.

## COMMENT &amp; ANALYSIS

## Reluctant crusaders

The ambivalence of some Nato leaders towards escalating the war in Kosovo reflects the differing political constraints they face back home, say **Gerard Baker** and **George Parker**

Nine years ago, in the grim hours after Iraqi tanks rolled through the streets of Kuwait, fate chose to place Margaret Thatcher in a Rocky Mountain redoubt with President George Bush. The US president had offered what critics saw as a somewhat diffident initial response to the invasion, and the British prime minister was about to provide some backbone.

"This is no time to go wobbly, George," she is reported to have told the hesitant US president.

This weekend, at the gathering of Nato and other leaders in Washington, some see a parallel to that Aspen meeting in August 1990.

Bill Clinton, a weakened president of a country that seems uncertain and divided over just how tough to get in Nato's conflict with Yugoslavia, cuts a poor figure as a war leader. Tony Blair, the British prime minister, by contrast, with invulnerable support at home and a Thatcher-esque approach to troublesome dictators, is ready to insert some spine into a querulous Nato leadership, pushing to make the use of ground troops in Kosovo a real option.

Both countries dismiss the caricature. "It's rubbish," Mr Blair's official spokesman splutters, pointing out that the UK was very much a junior partner in the Nato action. "We are as one with the British over our approach," US officials concur.

But the image is a powerful one - and a reminder of the diverse political environments in which Nato leaders are operating. As 19 democracies go to war in alliance for the first time, they provide an intriguing glimpse of the differing constitutional and political constraints they face.

Given that the US provides the bulk of the firepower, it has much more at stake than any other country involved. But some critics believe the country is now reaping the costs of the impeachment saga of the last year. They say Mr Clinton was distracted by his fight for political survival and failed to take crucial decisions early on that might have prevented the Kosovo troubles from reaching their current crisis.

Sidney Blumenthal, a senior adviser to the president, disagrees. "During the last year, the president put together the Wye Plantation peace accords, attacked Iraq, concluded a balanced budget agreement with Congress, engaged in the most successful mid-term election campaign in presidential history, and set in place a programme for long-term fiscal reform. How did impeachment distract him?"

Mr Blumenthal points out that a US president is simply under greater political and constitutional constraints than most leaders in a parliamentary system.

A Republican majority in Congress is in no mood to offer much support for the president's actions. Like many presidents before him, Mr Clinton is struggling



to wriggle around the ligatures of the War Powers Act, which requires congressional approval for protracted military engagement.

But Mr Clinton's position is clearly also hampered by political, rather than constitutional limitations. Broader American concerns about entanglements in far-flung foreign lands constrain the effectiveness of what critics see as a poll-driven administration. It all adds up to a necessarily cautious US approach - one that leaves a leadership vacuum for someone else to fill.

There is little doubt that Mr Blair is more relaxed about the use of ground troops than any other Nato leader. He has exploited his strength at home, and used it to project a grand vision of Britain as a key player in Europe while serving as a bridge to the US.

His rhetoric shows he has no qualms in offering advice to the world's last superpower. "I say to you: never fall again for the doctrine of isolationism: the world cannot afford it," he told an audience in Chicago.

Perhaps surprisingly for the leader of a Labour party which Lady Thatcher with special loathing, Mr Blair enjoys being compared to a latter-day Bonaparte. And the Thatcherite con-

science - bordering on arrogance - has been a feature of his US visit, particularly in setting out a grandly titled "doctrine of international community".

The Blair doctrine - in effect a charter for interfering in countries with brutal regimes - questions the sanctity of a nation state as the basis of international law. He hints that perhaps the UK can play a unique role in shaping such a charter.

**Given that the US provides the bulk of the firepower, it has more at stake than any other country**

"It would be much, much harder if we were in a coalition," Mr Blair has told friends - a reference to the problems facing the governments of EU states like Germany and Italy.

As it happens, the Kosovo war has enhanced the political standing of Gerhard Schröder, the German chancellor. The outbreak of hostilities distracted attention from a host of domestic problems left unresolved by the dramatic

resignation of Oskar Lafontaine as finance minister in March. But it has also provided an opportunity to make good his pledge that a Social Democratic-led German government would shoulder its international responsibilities within the Nato alliance.

"We are not going to be the wimps," said one chancellor aide early in the crisis.

It has not been an easy path to take. The participation of the Luftwaffe in the bombing campaign represents the first battle engagement of German forces since 1945; many in Mr Schröder's Social Democratic party, as well as the Greens, hoped never to see Germany engaged in conflict again.

The chancellor has had strong backing from Joschka Fischer, the Green foreign minister. Mr Fischer's standing within the Green party has helped, so far, to avert potentially fatal splits in the governing red-green coalition. But that could change if a clear victory for Nato remained elusive, or if Mr Schröder reversed government policy and backed the deployment of ground troops.

Massimo D'Alema, Italy's prime minister, has also had a surprisingly good war thus far. At the outset of the bombing operation, Nato suspected the 49-

year-old ex-communist would be the first alliance leader to wobble, especially when he called for a speedy move to diplomatic negotiations only hours after the bombardment started four weeks ago.

Since then, Mr D'Alema has been a staunch supporter of the operation. As such, he hopes to counter lingering suspicions among Italy's western partners that his communist past makes him unreliable. Italian planes last week participated in attack operations, something that would have been unthinkable in previous conflicts. Carlo Scognamiglio, the pro-American defence minister, recently addressed US troops at the Aviano air base in English, an event that shocked Italy's right-wing traditionalists.

Mr D'Alema can act tough because of the support that the Italian public continues to give the Nato operation. The flood of Kosovo refugees into Albania (and fears that southern Italy may yet again find itself hosting thousands more refugees from across the Adriatic) have hardened public opposition to Milosevic. Polls show some 40 per cent of Italians back the bombing - high by previous standards.

Problems for Mr D'Alema would start if the war escalated to a ground offensive. Italy's communists would threaten to quit the ruling coalition, unsettling his government. Italy also needs to be watched next week if Viktor Chornomyrdin, the former Russian prime minister, manages to extract further concessions from Mr Milosevic on a possible peace deal. Mr D'Alema seems more determined to find a diplomatic solution to the crisis than his main Nato allies.

In the end, of course, the US must lead this diverse alliance - another tricky constraint for Mr Clinton.

But it should not be assumed that all these difficulties will mean the US president sticks with the current "hands-off" strategy of air strikes alone, particularly if it fails to force Mr Milosevic's capitulation any time soon. Polls increasingly indicate Americans have perhaps more appetite for the fight than some of their leaders thought.

It is also possible that Mr Blair's assertive approach could help the US president. Mr Clinton has often told friends of his frustration at the lack of a grand cause to define his presidency, beyond the prosperity the US has enjoyed throughout it. Senior advisers acknowledge he sees Kosovo as a defining moment of his presidency - the last great battle of the 20th century against tyranny. With an able British lieutenant at his side, he may conclude that the cause is truly worth the political risk.

As a senior administration official says of the Clinton-Blair axis: "They always come out in the same place."

Additional reporting by Ralph Atkins in Bonn and James Blitt in Rome

## LETTERS TO THE EDITOR

## May China's little emperors not be the last

From Dr John W. Schiffeler.  
Sir, I read with considerable interest James Harding's article "In the hands of China's little emperors" (April 17-18). I am quite familiar with Jianping High School, its headmaster, Feng Enzhong, and the English teacher, Mr John Xu, whose English (including American colloquialisms) after a one-year stay in the US is extraordinarily good.

My experience as a governor from 1995-96 in this Pudong setting with the "little emperors" and their families was quite rewarding, for I was always

impressed by their enthusiasm for learning, their native intelligence, and their respect for education and educators.

In imparting western literature to them, I endeavoured to acquaint them with the sibling rivalry so common to our cultural setting, for most of them - about 90 to 95 per cent - did not have this kind of experience to draw upon.

Based on what I learned during my 15-month stay, I would say that China's "one-child policy" is not only sound, it is a policy that should be seriously considered by

all governments in the international community, as their population needs dictate.

And as for what the future of China portends under its "little emperors" will make their mark in advancing the best interests of China in union with those of our own.

John Wm. Schiffeler, former governor Jianping-21st Century High School, 511 El Camino del Mar, San Francisco, CA 94121-1041, US

## Promoter of industrial interference

From Mr Eamon T. Fennessy.  
Sir, The continuing efforts of "do gooders" interfering where they are not wanted is reflected in your article about Bill Gates and the treatment Microsoft is receiving from the US Congress ("Gates comes in for a slaming", April 17-18).

Congress's attempts to scrutinise marketing policies of private corporations portends a growing trend: that "government knows best".

I hope we in the US are not about to follow the "third way" of Professor Anthony Giddens of the London School of Economics, which emphasises government intrusion into matters that should be of no concern to the government.

Look what has happened to industries that were robust before the US Congress got involved...cigarettes, alcohol, automobiles, the environment and arms manufacturing.

Now it is the turn of the computer industry, where the US is still doing well, but before long that too will suffer if Congress continues to intrude.

Next it will be the industries where intellectual property is involved - television, radio, theatre, publishing, the arts and so on. Please - keep Prof Giddens at home.

Eamon T. Fennessy, The Copyright Group, P.O. Box 5498, Beverly Hills, MA 01915, US

## ECB is delivering innovations and facing up to the challenge of improving cricket's image

From Mr Richard Peel.  
Sir, Your article "Let's switch to a ballgame fit for heroes" (April 17-18) was most timely. It talks of sports fans' shortening concentration spans, lack of cricket role models for them to emulate and the turn-off dull games are to watch.

These are the very problems the England and Wales Cricket Board (ECB) is now addressing.

A number of innovations have been introduced just this year to make the game more exciting to watch: the new 45 over two-division CGU National Cricket League, which replaces the AXA Sunday League, begins this season with a promotion and relegation system, 20 floodlit matches, team nicknames, squad numbers for players and, for the first time, the award of a free hit to the batting side as a penalty for each no-ball.

The NatWest trophy now involves all counties as well as Denmark and Holland in a knock-out competition and there is a Super Cup - involving the top eight teams from last year's County Championship.

The first class counties will also be fighting for top places in the County Championship this season because in 2000 the competition will be split into two divisions with promotion and relegation.

And there are cricket role models such as fast bowler Darren Gough, batsman Graham Thorpe, just returned from injury, and the England skipper, Alec Stewart. While, in the women's game, 16-year-old Charlotte Edwards, star of the 1997 World Cup, is set to become a household name.

Furthermore, if cricket were such a dull game unsuited to tele-

vision schedules, Channel 4 would not have been so determined to win TV rights, nor would CGU Life have agreed a 26m deal to sponsor the National League - the biggest deal of its kind for a domestic one-day league.

The game is also thriving at grass roots level. Half the country's primary schools play Kwik Cricket, a junior form of the game, and there are more junior clubs than ever before.

There's been a revolution in cricket. Perhaps Mr Harverson was watching too much baseball to notice.

Richard Peel, director of corporate affairs, ECB, Lord's Cricket Ground, London NW8 6BQ

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We are keen to encourage letters from readers worldwide. Letters may be faxed to +44 171-873 3000 (fax to "fax"). e-mail: letters@ft.com. Published letters are also available on the FT web site: <http://www.ft.com>. Translation may be available for letters written in the main international languages. Fax +44 171-873 3000. Letters should be typed and not hand written.

## CONTRACTS AND TENDERS

**BANK OF CRETE S.A.**  
**ANNOUNCING A THIRD PUBLIC CALL FOR TENDERS FOR THE TOTAL ASSETS OF ECON INDUSTRIES S.A.**

Bank of Crete S.A. 115 Vasileosofia Street, Athens 105 71, in special liquidation of the company ECON INDUSTRIES S.A. established in Athens 1990, the liquidator, Mr. N. K. Karamanolis, hereby announces that the assets of the company are being sold in a public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**ANNOUNCEMENT**  
The company was established in 1990, in July 1997, it changed its name to ECON INDUSTRIES S.A. and its capital was increased to 2,000,000,000 drs. The company's main business is the production and sale of cement, concrete, and other construction materials.

**ASSETS FOR SALE**  
In order to purchase the assets of the company, now in special liquidation, prospective buyers may submit:

**1. A FIRST BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**2. A SECOND BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**3. A THIRD BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**4. A FOURTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**5. A FIFTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**6. A SIXTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**7. A SEVENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**8. An EIGHTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**9. A NINTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**10. A TENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**11. An ELEVENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**12. A TWELFTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**13. A THIRTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**14. A FOURTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**15. A FIFTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**16. A SIXTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**17. A SEVENTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**18. An EIGHTEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**19. A NINETEENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**20. A TWENTIETH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**21. A TWENTY-FIRST BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**22. A TWENTY-SECOND BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**23. A TWENTY-THIRD BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**24. A TWENTY-FOURTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**25. A TWENTY-FIFTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**26. A TWENTY-SIXTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**27. A TWENTY-SEVENTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**28. A TWENTY-EIGHTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**29. A TWENTY-NINTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**30. A THIRTIETH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**31. A THIRTY-FIRST BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**32. A THIRTY-SECOND BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**33. A THIRTY-THIRD BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**34. A THIRTY-FOURTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**35. A THIRTY-FIFTH BID**  
A bid for the purchase of the assets of the company, now in special liquidation, for the sum of 2,000,000,000 drs. The bid must be submitted by 10:00 a.m. on the day of the public call for tenders, in accordance with the provisions of the Law of 1990 (No. 1826/90) and the provisions of the Law of 1990 (No. 1826/90).

**36. A THIRTY-SIXTH BID**  
A bid for the purchase of the assets of the company, now in



MAN IN THE NEWS MICHAEL ARMSTRONG

# Hungry for more

The acquisitive chairman of AT&T is in a risk-taking mood as he continues to carve out a new future for the company, writes Richard Waters

The investors of Wall Street are beginning to suspect that Michael Armstrong is hooked on deal-making.

The chairman of American Telephone & Telegraph romped through four multi-billion dollar acquisitions last year as a way for the beleaguered telecoms company. His spending spree culminated in the \$59.4bn purchase of Telecommunications Inc (TCL), the second-largest cable television company in the country.

This year looked like it was going to be different for the largest telephone company in the US. After three other multi-billion dollar acquisitions and a global joint venture with British Telecommunications, Wall Street believed Mr Armstrong had finished wheeling and dealing. But Wall Street was wrong.

The 60-year-old Detroit native produced another blockbuster this week with a \$58bn bid to snare another cable television company, MediaOne. This time, he is steering a much riskier course, fighting to break up an earlier merger agreement between MediaOne and another cable company, Comcast. The price - and the penalties for failure - are a lot higher this time.

His stream of acquisitions

has made Mr Armstrong stand out even in an industry that is consolidating rapidly. The bid for MediaOne capped a week in which Deutsche Telekom and Telecom Italia agreed a €172bn merger - the largest industrial merger in Europe.

There are few executives in the US who are better equipped to pull off the big deal - even if this is not exactly what the stock market was expecting or hoping for from Armstrong right now. With his fixed grin and Buddha-like equanimity in public, the AT&T chairman displays the steady nerve of an ace poker player.

He also shows no signs of blinking when the moment to place the big bet arrives. While many executives talk the talk, few seem to be as ready to take such breath-taking gambles to transform their visions into reality.

"You've got to control your destiny, you've got to control the assets," the Mr Armstrong said yesterday of his attempt to grab another large chunk of the American

cable television industry.

But despite the protestations of grand strategy there was more than a touch of opportunism to the affair. Under the swashbuckling Mr Armstrong, AT&T seems finally to have made the switch from being the staid, slow-moving giant of the US telecoms industry. It is now a company that is prepared to jump at any passing deal that seems to make sense - even if it costs nearly \$50bn.

That shift probably says as much about the executives that Mr Armstrong has surrounded himself with as it does about his own style. He is a natural team player who spent much of his youth playing baseball and running competitively before eventually choosing American football as his main sport. In business, he has shown a preference for building inclusive teams of executives rather than creating personal fiefdoms at the top. Executives from the old AT&T regime have survived at high ranks in the company, along with new

blood brought in through acquisitions. None of this new blood has had as great an impact as the strand to AT&T's management that arrived with its acquisition of TCL. This was AT&T's first venture into the more entrepreneurial cable industry.

For the group's new cable executives, MediaOne may simply have been too tasty an acquisition to pass up. That is the impression left by Leo Hindery, the former president of TCL who is now running all of AT&T's consumer businesses. "I have looked at those assets with hunger for a long time," he said yesterday of MediaOne's cable systems.

Mr Hindery was speaking literally as well as metaphorically - the headquarters of TCL and MediaOne are within sight of each other in a Denver suburb. To hear Mr Hindery talk, MediaOne's cable systems are probably better situated, and more technologically advanced, than the networks he had built at TCL.

But for all this enthusiasm, it will take all of Mr Armstrong's skills as a salesman to convince the world this is the right deal for AT&T. Wall Street took a dim view of his latest attempt at wheeling and dealing. AT&T's shares fell 10 per cent after news of the deal, as investors signalled their discontent.

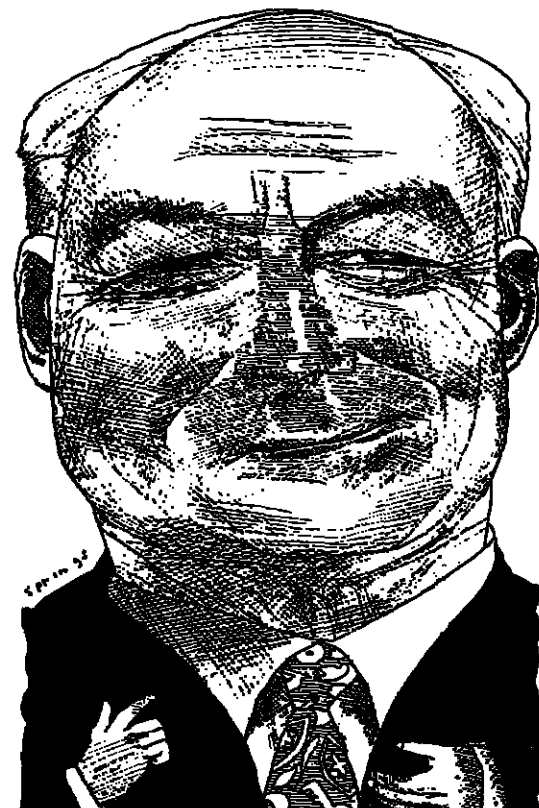
After all, he had been suggesting for some months that he had forewarned deals for some time to come, after last year's acquisition binge. This was to be the year when he would prove that he could make the deals work, he had suggested.

Mr Armstrong chairman clearly relishes such contradictions, though. He is adept at the art of personal myth-making, building a public persona for himself that plays up his win-at-all-costs approach to life. He helped to assemble that myth last year, repelling an audience in his home-town of Detroit with the story of how he fought to keep the girlfriend who eventually

became his wife.

His future father-in-law balked at the school sweetheart staying together, forbidding his daughter from following Mr Armstrong when he went to college. Armstrong says he confronted the General Motors executive in his living room, only to be told that "it was highly likely that I would end up selling popcorn" at the stadium of Detroit's home cable baseball team, the Tigers. Mr Armstrong stuck to his guns - and ended up running one of General Motors' biggest businesses, its Hughes electronics subsidiary.

It was at Hughes, after 30 years at IBM, that Armstrong went on to demonstrate skills that won him the top job at AT&T. A computer engineer with strong marketing skills, he was the first to find a big consumer market for a promising technology: satellite television broadcasting. Beaming television signals from the heavens was a direct assault on the cable



industry, which became Mr Armstrong's arch enemy. With his bid for MediaOne, the world has now turned full circle.

So is he finally going to call it a day on the dealmaking at AT&T? "We absolutely do not have any plans, any considerations, any discussions for any other significant transactions," he said yesterday. Fine words, but they sounded eerily similar to what he said when he surprised the market with his plan to buy TCL last June.

## Opting for the road more travelled

As the Automobile Association considers ending its mutual status, Charles Batchelor and John Griffiths take a trip down memory lane



Road to riches: the AA logo, long a motorway feature, may become just as familiar to investors

In the early 1900s, when motoring was in its infancy, patrolmen from the newly-formed Automobile Association would salute every member they passed.

These days, the AA's 4,000-strong patrol would find it hard to provide such a personal service to its 9.2m members. Yet something of the motoring organisation's pioneering ethos remains.

But for how much longer? Suggestions this week that the AA was up for sale forced Britain's largest roadside breakdown organisation to admit that it was exploring alternatives to its membership-based structure. Ford Motor Company is thought to be interested in buying it.

The AA, it seems, is heading down the same road taken by its older rival, the Royal Automobile Club. The RAC is studying the options of a flotation or a sale to one of five shortlisted bidders believed to have offered as much as \$400m for its motoring-services arm and 5.5m members.

If the AA does decide to end its mutual status it must be hoping for an easier ride than the RAC has had. The RAC has been dogged by legal actions launched on behalf of people barred from the £23,000 to £35,000 payout going to each of the 12,000 club members.

The AA does not have the RAC's two-tier membership structure, under which "associate members" - the customers of the RAC's roadside recovery arm - receive nothing. But the small scale of any individual payout by the AA, estimated at just £150 to £200 for each of its 4.5m full members may discourage many members from even taking part in the vote on changing its status.

For the AA and the RAC, the attraction is a more powerful financial backer at a time when information technology networks and in-car travel information systems are absorbing increasing sums of money. Bidders,

meanwhile, are drawn to the strength of the "brands" involved and the opportunity to market other goods and services to a well-heeled membership.

The motoring organisations are following a trail blazed by the building societies from 1989 onwards. Several have changed themselves from mutual societies responsible only to their members and turned themselves into banks with institutional and private shareholders.

The belated conversion of the AA and the RAC to a more commercial structure is attributable in part to their continued dominance of their markets, despite a proliferation of a host of smaller rivals. The AA has a 48 per cent market share, while the RAC has 29 per cent.

The move reflects the deliberately hobbyist approach of the motoring enthusiasts on their boards. Founded in 1905, eight years after the RAC, the AA was set up to defend the motor car, whose arrival on roads dominated by horse-drawn traffic was regarded with suspicion and prejudice.

The AA's first paid official, its secretary Stenson Cooke, established an office in a small upstairs room lent by one of its founder members at 18, Fleet Street in London.

Over the next decade, the number of cars on Britain's roads increased from 15,800 to 132,000 and AA membership rose from about 100 to more than 83,000, partly because of its amalgamation with the Motor Union at the end of 1910.

Long before governments or local authorities became involved in signposting the way to the next town or erecting danger and warning signs, the AA's yellow and black signs were a common feature at the roadside.

In the 1920s, when petrol was normally available only in two-gallon tins from town-based garages, the AA erected a series of roadside filling stations. The first opened at Aldermaston, on the Bath Road between Maidenhead and Newbury in March 1920.

Some of these early activities were later taken on by the public sector or by commercial organisations. But as car ownership accelerated to its present figure of 22m,

the motoring organisations diversified again into such fields as home insurance, publishing and retailing.

Management was not always as dynamic as required by such a rapidly expanding market place. The RAC had only three chairmen between 1912 and 1972 "each of whom grew very old in office," according to Piers Brendon's history of the RAC. As late as the 1980s, the RAC chairman could be seen being saluted into his RAC-blue Jaguar, complete with wing-mounted flagpole, by a brace of peak-capped and gaitered patrolmen standing to attention.

The AA's "not for profit" approach had permeated other areas of the business such as insurance and financial services when John Maxwell took over as director general two-and-a-half years ago. "It had become a universal provider and lost some of the sharpness of its focus," he says.

Mr Maxwell has since carried out a review of the AA's business, shutting 142 high street shops and selling a

division devoted to providing emergency cover for emergencies in the home. This has allowed more money to be spent improving the quality of its roadside services, which were slammed in a 1996 Which? magazine report.

Neil Johnson, a former executive with Jaguar and Rover, has presided over a restructuring of the RAC since he became chief executive in 1986. He has bought into the "new driver" end of the market by acquiring the BSM motoring school and revamped the RAC's corporate image.

Such initiatives have begun to make a difference to the financial performance of the businesses. The AA's pre-tax profits doubled to \$40.4m in 1997, the most recent period available, while the RAC's 1998 pre-tax surplus rose 45 per cent to \$24.7m.

But their ambitions can only be fulfilled by the sacrifice of a membership tradition still adhered to by motoring organisations around the world - including the US. For all its limitations, the mutual organisation can be efficient and profitable and there is no guarantee that the likes of Ford could improve the quality of service.

On the contrary, quality and cost of after-sales services provided to ordinary motorists is a vexed issue for car makers and their franchised dealers.

Motivated motorists despatched workshops for perceived cheaper prices and just-as-good service from independent garages almost as soon as their new-car warranties run out. There is little reason to think a £150 windfall - not much more than a year's subscription - would lead members to greet a Ford enthusiastically.

The AA clung to its famous salute until 1991, only dropping it for safety reasons. Members may want to be similarly cautious about scrapping mutuality.

## The usual suspects

After the Columbine massacre, Hollywood, the gun lobby and violent internet websites are beating a retreat, says Christopher Parkes

All the usual suspects - film companies, pro-gun politicians and the National Rifle Association - ran for cover this week as the hunt for the source of the Columbine High School massacre fanned out beyond the crime scene in Littleton, Colorado.

A day after the killings, Metro-Goldwyn-Mayer asked retailers to remove copies of the video of *The Basketball Diaries*, in which a character played by Leonardo DiCaprio opens fire in a classroom.

The same day, the NRA cancelled all events, apart from one formal meeting at its annual convention, to be held in Denver at the end of the month. Doug Dean, the Republican majority leader in the Colorado state assembly, reluctantly withdrew two weapons bills, one of which would have made it easier for people to obtain licences to carry concealed guns. Arizona and Michigan also saw new firearms laws vetoed and slowed.

Retreat does not come easily to Hollywood, the NRA or its legislative allies. They are accustomed to resisting pressure from opponents of real and theatrical violence. So their reaction suggests at least a heightened sensitivity to the popular outcry over the series of school killings in the US that reached new heights following the rampage at Columbine High.

Their opponents are already trying to press home what could be a temporary advantage. As soon as the NRA announced its decision to scale down its convention "to show our profound sympathy and respect", it was pressed to go further. Seizing the initiative, Wellington Webb, mayor of Denver, pressed the association to cancel convention events and called for people to bombard the NRA with telephone protests. The film and television industry can also expect pressure to do more,

and not simply from those encouraged by MGM's efforts to take *The Basketball Diaries* out of circulation. The film is already the subject of pending legal action over its alleged influence on the suspect in a previous school shooting.

Other potentially sensitive productions include *Matrix*, in which Keanu Reeves plays out a series of violent scenes in a black duster coat. His garb is similar to the style adopted by the Trenchcoat Mafia members believed responsible for the Columbine killings.

Films aimed at people between high school age and their early 20s, who comprise the single largest group of cinema-goers in the US, are among the most lucrative of the industry's product lines, and commonly have ultra-violent themes.

**Bidders are drawn to the opportunity to market goods and services to affluent members**

Tales of characters reversing their fortunes by wreaking bloody vengeance on those who victimise them - one possible rationalisation of the real-life events at Columbine High - are particularly popular with teenagers.

Oliver Stone's *Natural Born Killers*, described as a seminal production of the modern violence genre, was the subject of an unsuccessful lawsuit that attempted to convince the Supreme Court that the film had incited a young couple to use firearms during a robbery.

More actions appear likely, although the organised lobby against film - mainly comprising religious or community-focused groups - is still weak compared with the

power of the forces arrayed against the television industry. This is where the studios are most likely to feel the effects of a campaign by the Association of National Advertisers to change the tenor of their programming.

The association represents leading manufacturers of consumer products - and purchasers of television advertising time - such as Procter & Gamble and Coca-Cola. It recently stepped up its drive for less male-oriented violence and more "family" programmes.

Meanwhile, even as the traditional villains appeared to be shifting stance, the Littleton incident was sharpening interest in the role of the new media in the promulgation of youth violence.

*Doom*, a popular role-playing computer game, was said by Columbine students to hold a particular fascination for the alleged assailants. And while the contribution to the disaster from the internet has yet to be clarified, thousands of young people are believed to have scoured the web for information as the news broke.

Although a site believed to have been set up by one of the school's Trenchcoat Mafia was quickly closed and the information passed to the Federal Bureau of Investigation, its alleged contents showed up in several other places. One page, labelled "National Bring Your Gun to School Day", displayed recipes for making napalm and pipe bombs.

According to some critics of the school administrators, the web site provided clues that might have helped avert disaster. But there were other indications to alert the vigilant, such as video films made in the school last year.

In one film, the alleged killers acted out the role of gunmen stalking the Columbine corridors. They replayed the parts in real life last Tuesday, leaving themselves and 13 others dead.

## The discreet charms of the corporate jet

Time-sharing has allowed executives to justify the luxury of private air travel, writes Michael Skapinker

When Warren Buffett, the acclaimed international investor, bought a corporate jet in the late 1980s, he told a colleague that the cost of owning an aircraft seemed to multiply like bacteria.

The colleague disagreed. "He feels it's degrading to bacteria," Mr Buffett told his shareholders. He called his aircraft *The Indefensible* - a reference to the expense. Within a few years he had renamed it *The Indispensable*.

Mr Buffett is not the only convert to the virtues of company jets. When Gerry Robinson, chairman of Granada, the UK leisure group, launched a takeover of the Forte hotel company in 1996, he promised to get rid of Forte's corporate jet. Having won, he decided to keep the aircraft. Forte's hotels were scattered around the world, and like Mr Buffett, Mr Robinson decided the jet was indispensable. Other executives have

needed more persuasion. By the 1980s, business jets had come to epitomise corporate greed, and many chief executives found it difficult to justify them to shareholders and staff. This hit corporate aircraft sales, which slowed to between 200 and 250 units a year.

Manufacturers, sensing the mood, adjusted their sales pitch. When Boeing launched a corporate jet version of its 737 in 1996, it told potential buyers they could slip into airports unnoticed. The 737 passenger jet was already the world's best-selling aircraft. "There are so many around, people will just say, 'Oh, there's another 737,'" a Boeing executive said. So you could own a jet and keep a low profile.

But the issue of cost remained. For the \$40m price tag on a Boeing 737 corporate jet, an executive could fly from London to New York and back on Concorde every day for 11 years. Flying business class,

the executive could make two London-New York round trips a week for 75 years.

Given the cost, how could the purchase of a corporate jet be justified? With layers of management stripped out, the champions of corporate jets said, the remaining executives had to work even harder. A company jet could fly them almost to the customer's door, saving time and avoiding strikes, check-in queues and other inconveniences associated with commercial air travel.

The Washington-based National Business Aviation Association cited a 1997 study by accountants Arthur Andersen that concluded that "public companies that operate aircraft have better sales growth, earnings per share, long-term return to investors and productivity than companies that do not use business aircraft."

The association also attempted to counter the view that it was only top executives who used the company jet. A 1997 survey

of chief pilots and business aircraft passengers showed that only 14 per cent of those on board were top executives. The rest were second-tier executives and middle managers.

Last year, the association recorded some success. New jet sales rose almost 50 per cent to 387, mostly as a result of the phenomenon of "fractional ownership". Conceived in 1986 by Richard Santulli, a former US college mathematics professor and Goldman Sachs employee, it allows companies to share corporate jets.

Instead of spending \$22m buying a Falcon 2000, for example, a company can buy a one-eighth share in the aircraft for \$2.8m. The buyer pays Executive Jet, Mr Santulli's company, a monthly management fee and a further sum for the number of hours flown.

The buyer has to share the aircraft with other owners. But can still fly at a few hours' notice. If the jet is

being used, Executive Jet, which operates the Net Jet service, supplies one just like it. Four years ago, Mr Buffett became one of Mr Santulli's customers. He was so impressed he bought the company last year for \$725m.

Executive Jet is now the world's largest buyer of corporate jets. It has ordered 500 new aircraft, worth more than \$8.3bn, since 1996. Kevin Russell, Executive Jet senior vice president, estimates his company has accounted for over a third of all business jet purchases over the past three years.

Fractional ownership means companies do not have to worry about maintenance, which can ground a jet for up to 10 weeks a year. And while Concorde might be cheaper, fractional jet ownership better serves the needs of busy executives, Mr Russell argues. A group of Executive Jet bosses, including Mr Buffett, were in Europe earlier this month. They flew in an Executive Jet Gulfstream IV from



Fueling efficiency: Once considered the epitome of greed, company jets are now seen as time-savers

Omaha, Nebraska, Mr Buffett's base, to New Jersey. From there, they flew to London, where they had six meetings, then to Frankfurt for four meetings, Paris for seven and then back to Boston. The journey took three days. But while fractional ownership might have made companies keener on

investing in corporate aircraft, they are still embarrassed to talk about them. Celebrities like the golfers Tiger Woods and Ernie Els are fractional owners, as is tennis star Pete Sampras. But only 20 of Executive Jet's 1,300 corporate customers are prepared to be named. They include General Electric,

Gillette and Texaco. Michael Riegel, Flexjet's marketing vice-president, says the cost of corporate jet should be measured against what the executives cost the shareholders. "If you have an executive earning \$1m or \$2m a year, and you look at the return on getting them around this quickly, the cost is quite low," he says.



## COMMODITIES &amp; AGRICULTURE

## Cocoa and sugar miss the rebound

## WEEK IN THE MARKETS

By Paul Solman

Crude oil has pulled out of the mire and even base metals seem to have slowed their decline. But if these are the beginnings of a recovery in commodity prices, someone has forgotten to tell the softs.

Cocoa and sugar futures, vied for the title of worst performer this week, with raws falling 10 per cent and London cocoa shedding 8 per cent.

Over-supply and booming exports from Brazil pushed July raw sugar to a new 13-year low on New York's Coffee, Sugar and Cocoa Exchange at 4.41 cents a pound in afternoon trading yesterday. The August white sugar contract dropped to a low of \$197 a tonne on the London International Financial Futures and Options Exchange.

Meanwhile, Life's May cocoa closed at \$885 a tonne, down 557 on the week, and July robusta coffee ended down \$36 at \$1,431 a tonne.

On London's oil market, Brent blend pushed through \$16 a barrel and has clocked a 45 per cent gain this year. In late trading yesterday, it was \$16.04.

Jet fuel prices also rose, partly on the back of crude's gains and partly because of increased demand created by Nato's activities in Kosovo. The European spot price is about 28 per cent above its level a month ago but, more tellingly, its differential with gas oil prices has widened from the usual \$18-\$20 a tonne to \$25, analysts said.

## WEEKLY PRICE CHANGES

Commodity	Unit	Price	Change
Gold per troy oz.		\$323.40	+0.70
Silver per troy oz.		\$10.75	+0.05
Platinum per troy oz.		\$1,000.00	+10.00
Copper Grade A (cash)		\$1.50	+0.01
Lead (cash)		\$0.25	+0.01
Aluminium (cash)		\$0.50	+0.01
Steel (cash)		\$1.00	+0.01
Crude oil (Brent)		\$16.04	+0.04
Crude oil (WTI)		\$15.50	+0.05
Crude oil (Dubai)		\$15.00	+0.05
Crude oil (Singapore)		\$15.50	+0.05
Crude oil (Japan)		\$15.50	+0.05
Crude oil (Korea)		\$15.50	+0.05
Crude oil (Taiwan)		\$15.50	+0.05
Crude oil (Hong Kong)		\$15.50	+0.05
Crude oil (China)		\$15.50	+0.05
Crude oil (India)		\$15.50	+0.05
Crude oil (Australia)		\$15.50	+0.05
Crude oil (New Zealand)		\$15.50	+0.05
Crude oil (South Africa)		\$15.50	+0.05
Crude oil (Brazil)		\$15.50	+0.05
Crude oil (Russia)		\$15.50	+0.05
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Crude oil (Belarus)		\$15.50	+0.05
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## CURRENCIES &amp; MONEY

## Balkan boost

## MARKETS REPORT

By Christopher Swann

Tentative signs of progress in the Balkans helped lift the euro clear of its recent lows during trading yesterday.

But the energising effect of the apparent Serbian offer to accept an international presence in Kosovo was offset towards the middle of the London session after a guarded response from Nato.

By the close of London trading the euro had reached \$1.066 against the dollar.

The nighttime scenario of a mass deployment of ground forces appears to have been scotched at least for the moment, but the euro continues to look fragile, said Philip Shaw, chief economist of Investec in London.

"In reality the crisis has merely provided the justification for a self-off motivated by the weak euro-zone growth outlook."

The possibility of a week-end peace agreement encouraged some to close out some short euro positions. "The risk is now skewed on the upside," said Cameron Crise,

currency strategist Warburg Dillon Read in London. "We could expect a sharp upswing if agreement is reached but if it does not materialise."

But markets largely ignored new consumer price data which suggested a slight upturn in inflationary pressures within the euro-zone. "Though slightly above expectations, a 1 per cent year on year rise in inflation will not persuade the Euro-

pean Central Bank to change course," said Mike Rosenberg, managing director of international fixed income research for Merrill Lynch in New York.

Some analysts commented on the apparent contradiction between the strength of European bonds and the sickly performance of the euro.

If investors were genu-

inely concerned by the cost of the Balkans conflict, argued Paul Meggess, currency strategist at Deutsche Bank in London, this would have been reflected in rising bond yields. "Instead bond markets have been relatively robust," he said.

This, he said, could suggest that investors are far more concerned about the prospect of slower growth in euro-land, rather than any fiscal implications caused by the conflict.

The short sterling market was strangely inactive yesterday, despite a further flurry of key UK economic data.

This was in contrast with the previous week when, despite a dearth of data, short sterling contracts fell back by up to 20 basis points, as confidence grew over the prospects of a soft landing for the economy.

The market continued to price in one more interest rate cut in the near future, but saw a swift rise in interest rates thereafter.

"The absence of the normal volatility in a week crammed with new data suggests that the markets called it right last week," said Mr Shaw of Investec.

## EURO SPOT FORWARD AGAINST THE EURO

Apr 23		Closing mid-point	Change on day	Bid/offer spread	Day's bid/ask	Rate	Rate	Rate	Rate	Rate
Europe										
Belgium	(BFR)	37.846	-0.0713	105	666	37.890	37.730	37.583	-4.6	38.242
Denmark	(DKK)	7.462	-0.001	276	362	7.460	7.459	7.458	-0.5	7.461
France	(FFr)	6.573	-0.001	320	320	6.572	6.571	6.570	-0.5	6.571
Germany	(DM)	250.85	-0.001	672	672	250.850	250.850	250.850	-1.0	250.850
Greece	(Dr)	8.260	-0.021	484	875	8.280	8.260	8.240	-4.3	8.378
Italy	(Lit)	175.641	-0.015	440	317	175.641	175.641	175.641	-1.0	175.641
Netherlands	(Gld)	26.800	-0.001	627	722	26.800	26.800	26.800	-1.0	26.800
Portugal	(Esc)	48.363	-0.011	347	718	48.363	48.363	48.363	-1.0	48.363
Spain	(Ptas)	166.636	-0.001	627	722	166.636	166.636	166.636	-1.0	166.636
Sweden	(Kron)	4.666	-0.001	627	722	4.666	4.666	4.666	-1.0	4.666
Switzerland	(Sfr)	1.936	-0.001	627	722	1.936	1.936	1.936	-1.0	1.936
UK	(Sterling)	0.6584	-0.0007	580	587	0.6584	0.6584	0.6584	-2.7	0.6584
USA										
Argentina	(Peso)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Canada	(Can)	1.7525	-0.0018	910	942	1.7510	1.7481	1.7451	-2.1	1.7451
China	(Yuan)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
India	(Rupee)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Indonesia	(Rupiah)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Japan	(Yen)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Malaysia	(Ringgit)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Philippines	(Peso)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
Singapore	(Dollar)	1.0641	-0.0046	637	644	1.0637	1.0615	1.0591	-2.1	1.0591
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India	(Rupee									

## DATABANK



## UNIT TRUSTS

## Winners and losers

## TOP FIVE OVER 1 YEAR

Save & Prosper Korea	2,143
Edinburgh Small	2,070
Fidelity American	1,818
Johnson Fry New Japan	1,801
INVESTCO GT Japan Smaller Cos	1,548

## BOTTOM FIVE OVER 1 YEAR

Perpetual Latin American Gth	607
Scott Widows Latin America	615
Scott Widows Emerging Markets	630
ABG Growth Latin America	643
Save & Prosper Southern Africa	645

## Johnson Fry New Japan

1 year (2)	2000
3	1800
5	1600
10	1400
Volatility	1200
Yield	1000

## TOP FIVE OVER 3 YEARS

Fidelity American	2,580
TU European	2,315
Jupiter UK Growth Europe	2,298
Old Mutual North America	2,117
Franklinston American Growth	2,074

## BOTTOM FIVE OVER 3 YEARS

Save & Prosper Gold & Exp	220
Old Mutual Thailand Acc	295
M&G Gold	430
Garmona Gold & Int'l Resource	471
Lazard Pacific Growth	479

## INVESTCO Gold

1 year (2)	1100
3	1000
5	900
10	800
Volatility	700
Yield	600

## TOP FIVE OVER 5 YEARS

Fidelity American	4,375
Abolition Technology	3,887
GA North America Growth	3,673
Fidelity American Spec Gth	3,604
Edinburgh North America A	3,276

## BOTTOM FIVE OVER 5 YEARS

Save & Prosper Gold & Exp	384
Old Mutual Thailand Acc	385
Schroder Japan Spec Gth Acc	481
Friends Prov Japanese Sm Cos	511
Save & Prosper Korea	530

## Abolition Technology

1 year (2)	4000
3	3500
5	3000
10	2500
Volatility	2000
Yield	1500

## TOP FIVE OVER 10 YEARS

American Technology	9,364
GA North America Growth	8,822
Fidelity American	8,340
F&G US Smaller Companies	7,319
Henderson Global Technology	7,129

## BOTTOM FIVE OVER 10 YEARS

Banque Japan	426
M&G Japan Acc	488
INVESTCO UK Small Cos Acc (BT)	582
HSBC Japan Index	629
Henderson Japan Smaller Cos	637

## INVESTCO Japan Growth

1 year (2)	1100
3	1000
5	900
10	800
Volatility	700
Yield	600

Tables show the result of investing £1,000 over different time periods. Funds are ranked on 3-year performance. Worst performance is not a guide to future performance.

## Indices

Index	1 year (2)	3	5	10	Volatility	Yield
Average Unit Trust	1022	1262	1584	2338	4.5	2.3
Average Investment Trust	1008	1404	1570	2574	4.4	4.5
Bank	1041	1121	1206	1723	6.1	3.9
Building Society	1028	1113	1200	1723	6.0	4.0
Stockmarket FTSE All-Share	1074	1632	2180	3529	3.7	2.3
Index	1021	1083	1152	1461	6.3	-

## UK Eq &amp; Bd

Index	1 year (2)	3	5	10	Volatility	Yield
Perpetual High Income	1008	1541	1804	2258	4.4	3.3
Canine Income Dis	1013	1541	1818	2310	3.2	2.5
NPI Ethics Income Dis	1074	1538	1987	-	5.0	1.6
Lloyds TSB Extra Income	984	1514	1814	2783	3.2	3.4
Newton Distributor	1000	1502	1838	-	3.7	1.6
SECTOR AVERAGE	1011	1490	1891	3498	3.2	2.5

## Europe

Index	1 year (2)	3	5	10	Volatility	Yield
TU European	1208	2315	2558	-	4.8	1.4
Stanger Growth Growth	1085	2048	2476	-	6.4	0.5
INVESTCO GT European Growth	1011	1891	2202	3210	7.2	-
Newton European	1019	1859	2559	4291	5.9	0.4
Royal London European Growth	927	1805	2325	4431	6.7	1.4
SECTOR AVERAGE	947	1828	1947	3662	5.6	0.7

## Global Emerging Mkts

Index	1 year (2)	3	5	10	Volatility	Yield
Garmona PS Emerging Markets	828	636	887	-	8.3	0.3
Stanger Ivory Emerging Market	788	834	887	-	8.2	1.5
M&G Global Emerg Mkts	775	819	-	-	7.7	-
Save & Prosper Emerging Mkts	781	815	798	-	8.8	0.8
Messary Emerging Markets	732	788	882	-	8.6	0.3
SECTOR AVERAGE	775	783	729	1788	8.2	1.3

## International Equity Income

Index	1 year (2)	3	5	10	Volatility	Yield
INVESTCO GT International Income	1078	1807	1998	3888	3.5	3.3
Frontier Global 100	1120	1459	1793	1994	4.3	1.8
Mayflower Global Income	988	1398	1832	2843	3.3	1.9
M&G International Income	1007	1346	1801	3085	3.5	3.9
SECTOR AVERAGE	1038	1452	1759	2952	3.7	2.8

## International Fixed Interest

Index	1 year (2)	3	5	10	Volatility	Yield
Newton International Bond	1058	1250	1382	-	1.7	3.9
Marlborough Managed	1047	1243	1463	2498	1.5	3.0
Banque BGI Int'l Fd Interest	1071	1224	1382	-	1.0	4.1
ACS Int'l Bond & Convertible	1016	1214	1308	-	1.7	6.3
City Financial Int'l Cap Accum	1062	1200	1348	2094	1.8	6.5
SECTOR AVERAGE	1048	1264	1387	1922	1.7	4.8

## International Equity &amp; Bond

Index	1 year (2)	3	5	10	Volatility	Yield
Bank of Ireland Eq & Bd Growth	1042	1404	1872	3786	3.7	1.8
Frontier General Opportunities	1034	1400	1781	-	2.8	2.8
GA Income Portfolio	1059	1486	1879	-	3.7	2.4
MT General	1080	1482	-	-	3.8	3.1
MW Joint Investors Income	1035	1412	1987	-	2.8	3.9
SECTOR AVERAGE	1048	1389	1535	3013	3.0	2.3

## International Growth

Index	1 year (2)	3	5	10	Volatility	Yield
Fidelity Managed International	1371	1837	2488	4727	5.6	0.4
Henderson Global Technology	1337	1794	2688	7129	8.3	-
Scott Equitable Technology	1289	1786	2788	6533	6.5	-
Save & Prosper Frontier Sacs	837	1778	2529	4522	5.1	0.9
Fidelity International	1201	1768	2347	-	4.4	0.8
SECTOR AVERAGE	994	1285	1572	2922	5.1	1.0

## UK Growth

Index	1 year (2)	3	5	10	Volatility	Yield
Jupiter UK Growth Exempt	1047	2288	-	-	4.8	0.8
Edinburgh Capital Growth	903	1995	2131	3731	6.7	-
Thornhill Capital	1119	1786	2141	-	4.0	0.5
Johnson Fry UK Growth	1067	1781	-	-	4.2	0.9
Lloyds TSB Environmental Inv	1070	1759	2180	-	3.9	0.9
SECTOR AVERAGE	984	1457	1828	2895	3.9	1.4

## UK Fixed Interest

Index	1 year (2)	3	5	10	Volatility	Yield
Abolition Sterling Bond	1083	1541	1804	2258	4.4	3.3
Morgan Gren MP Annuity Conv Ex	1083	1533	-	-	1.8	4.7
CGU PPT Preference	1080	1532	1881	2328	2.2	5.9
CGU PPT Monthly Income Plus	1038	1491	1830	-	1.8	6.7
M&G Corporate Bond	1084	1477	1848	-	1.4	5.3
SECTOR AVERAGE	1067	1351	1807	2229	1.3	5.7

## UK Gilt

Index	1 year (2)	3	5	10	Volatility	Yield
Flaming Select Long-dated Gilt	1178	1893	-	-	2.1	5.2
Fidelity Institutional Lg Gilt	1178	1892	-	-	2.1	5.2
Mercury Long-Dated Bond	1087	1541	1840	-	2.0	3.0
M&G Gilt & Bond Interest	1116	1489	1832	2400	1.4	4.1
Flaming Select UK Index Linked	1172	1486	-	-	1.2	2.1
SECTOR AVERAGE	1082	1340	1429	2225	1.2	4.7

## Far East excc Japan

Index	1 year (2)	3	5	10	Volatility	Yield
Newton International Bond	1080	1183	1448	3482	5.3	-
Marlborough Managed	1012	1147	1427	4555	8.8	2.2
Banque BGI Int'l Fd Interest	956	940	1070	-	9.8	0.5
Fidelity South East Asia	1136	918	1165	3447	6.0	1.3
INVESTCO GT Hong Kong & China	988	917	989	3294	9.8	1.5
SECTOR AVERAGE	1091	970	775	2303	8.9	1.1

## Far East Inc Japan

Index	1 year (2)	3	5	10	Volatility	Yield
Jupiter Far East Inc	1472	1889	1988	2164	8.0	-
ABG Growth Greater China	932	915	958	2104	8.0	-
Save & Prosper Far East Sm Cos	1225	897	817	-	6.3	0.0
Dreadnought RCM Oriental Income	1123	888	895	1808	6.4	1.9
Smith & Williamson Far East	1111	832	840	1478	6.1	0.1
SECTOR AVERAGE	1114	739	803	1801	6.8	0.8

## Japan

Index	1 year (2)	3	5	10	Volatility	Yield
Ballie Gifford Japanese	1308	1003	1014	1454	6.3	-
Ballie Gifford Japan Sm Cos	1972	994	800	-	7.8	-
INVESTCO Japan Growth (BT)	1178	994	1083	1247	4.2	-
Messary Japan Growth	1347	974	1088	-	6.2	-
Newton Japan	1171	948	927	1083	6.7	-
SECTOR AVERAGE	1276	736	718	961	6.9	0.4

## UK Equity Income

Index	1 year (2)	3	5	10	Volatility	Yield
Jupiter Income	1128	1766	2288	5810	3.3	3.1
Newton Higher Income	1053	1761	2148	3588	3.8	4.1
BWD UK Equity Income	1045	1733	2213	3475	3.4	3.1
CF Goy High Income	986	1720	-	-	3.6	6.1
Fidelity Income Plus	1031	1707	1973	2586	3.4	3.7
SECTOR AVERAGE	991	1488	1802	2891	3.5	3.8

## UK Equity &amp; Bond Income

Index	1 year (2)	3	5	10	Volatility	Yield
CGU PPT High Yield	1078	1582	1804	2544	2.7	5.1
OS UK Income	989	1535	1784	-	2.3	3.2
Jupiter High Income	1031	1530	-	-	3.2	3.9
Abolition National Extra Income	1029	1517	1788	3540	2.8	4.1
Fidelity UK Balanced	1052	1522	1581	-	1.8	4.3
SECTOR AVERAGE	1008	1417	1638	2484	2.8	4.8



## INVESTMENT TRUSTS

## Winners and losers

## TOP FIVE OVER 1 YEAR

INVESTCO Japan Growth	2,220
Atlanta Japan Growth	1,906
Fidelity Japanese Values	1,808
INVESTCO Korea	1,839
Ballie Gifford Shin Nippon	1,574

## BOTTOM FIVE OVER 1 YEAR

First Russian Frontier	237
Foreign & Col Cos Markets	502
Tee Plantations	611
Beta Global Emerging Markets	633
Central Europe Growth Fd	636

## Fidelity Japanese Values

1 year (2)	2000
3	1800
5	1600
10	1400
Volatility	1200
Yield	1000

## TOP FIVE OVER 3 YEARS

Graham House	3,220
Foreign & Col Enterprises	3,207
Jupiter Primadone Growth	2,709
Abolition High Income	2,535
Dartmoor	2,088

## BOTTOM FIVE OVER 3 YEARS

Edinburgh Jew	217
East German	220
Stant Selective Growth	270
Abolition New Thai	315
First Russian Frontier	341

## Dartmoor

1 year (2)	2200
3	2000
5	1800
10	1600
Volatility	1400
Yield	1200

## TOP FIVE OVER 5 YEARS

OP FIVE OVER 5 YEARS;	
Foreign & Col Enterprises	4,743
Jupiter Primadone Growth	3,258
Handover	
Quarter European	
India	



**AUTHORISED  
INVESTMENT  
FUNDS -**

**Unit Trusts and OEICs**  
(Open-ended investment companies).

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## OFEX FACILITY

OFEX is an unregulated trading facility for share dealing in unquoted companies which is operated by J P Jenkins Limited in association with Newstrack Limited, a sister company. The middle market prices shown below are only an indication of value. Shares traded on OFEX should be considered high risk investments. Private investors must deal through a stockbroker which is regulated by the Securities and Futures Authority.

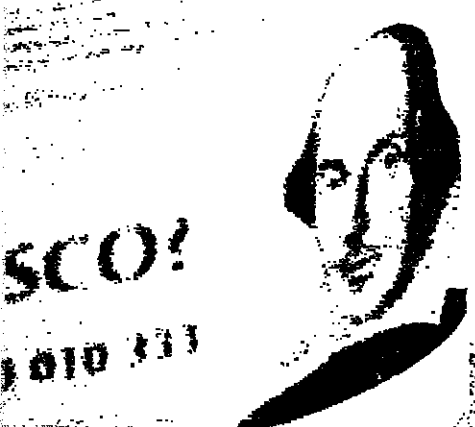
[illegible]**EASDAQ**  
for 23rd April: 1016.37 down 0.47% D

<p>The EASDAQ All Share Index (EASX) for 32nd April: 1916.37 down 0.7% Day's high: 1923.58 Day's low: 1914.49</p> <p>EASDAQ is a fully regulated independent pan-European stock market focused on high growth companies with international aspirations. The prices of companies on the EASDAQ Stock Market can be bought and sold through EASDAQ Members.</p>											
Company	Mid price	Change on day	Volume	High	Low	Company	Mid price	Change on day	Volume	High	Low
						www.easdaq.com	1916.37	-0.7%	0	1923.58	1914.49

Company	Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986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**Guide to pricing of Authorised Investment Funds**  
Compiled with the assistance of AIFEE SS

Compiled with the assistance of AUTIF SS  
All funds within this section, whether DEICs or unit trusts are  
authorized in the UK by the Financial Services Authority  
The prices quoted should only be used as a guide.

[illegible]



## FT MANAGED FUNDS SERVICE

FT Managed Funds Service is available over the telephone. Call the FT Managed Funds Service on (044 177) 579 4576 for more details.

Money Fund Managers Ltd - Contd.				Old Mutual Fund Managers Ltd (2000)				Royal Bank of Scotland UK Money Ltd (2000)				Scottish Widows Fund Manager - Contd.				33 KMS (2000)				Charity Fund for Children's Charity Ltd				Murray Life Assurance Co Ltd - Contd.				Canada Life - Contd.			
Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price
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**CANCER HITS 1 IN 3.**

**GIVE YOUR WORKFORCE A CHANCE TO FIGHT BACK.**

It is a fact that one third of the people in the UK will get cancer at some point in their lives. Cancer touches the lives of every one - employer and employees alike. Join the Macmillan Nurses in the fight. Telephone 0181 222 7706, or cut out this ad and return it to: Corporate Development Manager, Macmillan Cancer Relief, 3 Angel Walk, London W6 9HX.

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Telephone \_\_\_\_\_

Registered charity number 265817

**Macmillan**  
cancer relief

Money Fund Managers Ltd - Contd.				Old Mutual Fund Managers Ltd (2000)				Royal Bank of Scotland UK Money Ltd (2000)				Scottish Widows Fund Manager - Contd.				33 KMS (2000)				Charity Fund for Children's Charity Ltd				Murray Life Assurance Co Ltd - Contd.				Canada Life - Contd.			
Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price
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**PROPERTY UNIT TRUSTS**

These trusts, with the exception of the first, are open to investors who are not resident in the UK.

AXA Property Unit Trusts

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**INSURANCES**

AXA Insurance

...

Money Fund Managers Ltd - Contd.				Old Mutual Fund Managers Ltd (2000)				Royal Bank of Scotland UK Money Ltd (2000)				Scottish Widows Fund Manager - Contd.				33 KMS (2000)				Charity Fund for Children's Charity Ltd				Murray Life Assurance Co Ltd - Contd.				Canada Life - Contd.			
Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price	Fund Name	ISIN	Units	Price
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### CANCER HITS 1 IN 3.

### GIVE YOUR WORKFORCE A CHANCE TO FIGHT BACK.

It is a fact that one third of the people in the UK will get cancer at some point in their lives. Cancer touches the lives of every one - employer and employees alike. Join the Macmillan Nurses in the fight. Telephone 0181 222 7706, or cut out this ad and return it to: Corporate Development Manager, Macmillan Cancer Relief, 3 Angel Walk, London W6 9HX.

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Telephone \_\_\_\_\_

Registered charity number 263057

**Macmillan**  
cancer relief

## PROPERTY UNIT TRUSTS

Fund Name	ISIN	Units	Price
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...

## INSURANCES

Fund Name	ISIN	Units	Price
...	...	...	...
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## OTHER UK UNIT TRUSTS

Fund Name	ISIN	Units	Price
...	...	...	...
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**FT MANAGED FUNDS SERVICE**

● FT Cytidine Uracil Trust Prices are available over the telephone. Call the FT Cytidine Help Desk on 1-844-371-8722/4378 for more details.

## MANAGEMENT SERVICES

## Money Market Trust Funds

	Gross	Net
<b>CriffCash Ltd</b>		
Kings Hill, West Malling Kent ME19 4TA		
CriffCash High Interest Deposit Acct	4.86	-
CriffCash Deposit Under 12 Months	6.05	-
CriffCash Deposit Over 12 Months	5.15	-
<b>The COIF Charities Deposit Fund</b>		
2 Fove Street, London EC2Y 5AQ		
Deposit	5.00	-
<b>Cent. Bd. of Fin. of Church of Eng</b>		
2 Fove Street, London EC2Y 5AQ		
Deposit	5.00	-

## Money Market Bank Account

	Open	Net
<b>AMC Bank Ltd High Interest Cheque</b>		
PO Box 79 116 Coodehead Rd Berana		
\$5,000+	5.00	4.00
<b>Brass Shireley &amp; Co Ltd</b>		
Founders Court, Ladbroke, London EC2 7HE		
H&A	3.50	2.80
Prod Remittance A/c	3.75	3.00
0846-712 01 00 Fax 0846-712 01 00	3.50	3.00
08 46 712 01 00	3.50	3.25
*Indication only Please telephone for more		
<b>Charterhouse Bank Limited</b>		
1 Palmerston Road, EC4M 7DE		
£2,500-£19,999	3.5	2.8
£20,000-£49,999	3.75	3
£50,000-£99,999	4	3.2
£100,000+	4.25	3.4
£5,000-£9,999	2.75	2.2
£10,000-£99,999	3.25	2.6
£100,000-£199,999	3.5	2.8
£200,000+	3.75	3.0

**Close Brothers Limited - Crystal Palace**  
52, Abchurch Lane, London EC4A 3DF

Base Rate Loan 0.5% — 4.75 3.8

**Clydesdale Bank Current Gold Account**  
30 St Vincent Place, Glasgow G1 2HL  
01-499 8888 ——— 3.50 2.50

Up to \$250,000	3.50	2.00
\$250,000 and over	3.50	2.00

**The Co-operative Bank**  
 100 Ave. 300, Clarksonville, Tenn.

TESSA 25000	5.75	-
Patfinder - Card Based Deposit Account		
£5000+	2.75	3.00

Sale Direct			
700,000 - 150,000	550,000	4.40	
150,000 - 25,000	125,000	4.20	
25,000 - 0	25,000	4.00	

\$10,000+	4.50	1.69
\$5,000+	4.00	1.20
\$250+	3.50	2.80
<b>Business Office - Total Assets</b>		

\$250,000+	4.50	3.60
\$100,000 - \$249,999	2.50	2.00
\$25,000 - \$99,999	1.50	1.20
\$2,000 - \$24,999	0.87	0.70

**Courts & Co**  
440 Strand, London WC2R 0DS

**Castle Banknote Account for clients involved**  
 Rates negotiable up to...  
**Flaming Premier Banking**

Client Account	3.00	2.40
TESSA Fund 1 Year	4.50	-
TESSA Variable	5.25	-

Primer Acc \$10,000+	1.75	1.40
Investment Account \$25,000+	4.25	3.40
Sovereign 30 \$10,000	4.50	3.65
Asset 30 \$10,000+	5.10	4.08

**Hallifax Pk Reserve Cheque Acc**  
Tenny Road, Halifax, HX1 2RG  
Rates for personal customers

\$50,000 and above	4.29	3.36
\$25,000 to \$49,999	3.95	3.16
\$10,000 to \$24,999	3.80	2.88
\$5,000 to \$9,999	2.90	2.32

Rates for non-personal consumers		
\$50,000 and above	1.80	2.88
\$25,000 to \$49,999	1.30	2.56
\$10,000 to \$24,999	1.05	2.30

**Julian Hodge Bank Ltd**  
10 Windsor Place, Carew CF1 3BX  
24-hour service from 9am to 5pm 01792 212 111

3 Year Fixed Rate Deposit Acc.	6.75	4.0
6 Month Fixed Rate Deposit Acc.	5.50	4.4
1 Year Fixed Rate Deposit Acc.	5.50	4.4
<b>Investing Bank (TIO) Ltd</b>		

2 Grosvenor St, London EC2V 7DP		
British Oxygen Acetylene 42.00%	3.00	2.40
British Oxygen Argon 82.00%	1.50	2.00
British Oxygen Nitrogen 95.00%	4.75	3.00

1. General Motors (12.007)	5.13	4.10
2. General Motors (12.007)	5.37	4.30
3. General Motors (12.007)	5.51	4.51
4. General Motors (12.007)	5.55	4.55

Year Bond (\$200T)	5.13	4.10
30-year fixed rate	5.25	

**Kleinwort Benson Private Bank**  
a division of Kleinwort Benson Investment Management

**Lloyds Brownlow Limited**

Capital Plan Cheque Account  
£5,000+ ———— 4.75 3.00  
Barclays Bank of Scotland plc

Corporate Money Market Account  
42 St Andrew Square, Edinburgh EC1 2TE  
F102 000-1248 000. — 2.35 2.00

\$250,000-499,999	4.45	3.56
\$500,000-999,999	4.55	3.72
\$1,000,000-19,999,999	4.90	3.92
\$20,000,000-75,000,000	5.00	4.00

Royal Bank of Scotland plc Private  
42 St. Andrew Square, Edinburgh EH2 2YE  
£1,000,000\* — — — 5.00 4.00

**United Trust Bank Ltd**  
1 Great Cornhill Lane, London WC1N 7AL  
01-695-8000 ext. 2222 5.05 4.25

\*Excludes AER replaces Gross CAP

● **NOTES**  
 Given: Discount rate of interest payable.

Net Rate of interest payable after allowing  
for the expense of  
the loan.

**Simple Rate:** Even rate annualized to take into consideration of interest paid either then or later.  
**Compound Annual Rate**

**Int Fr:** Frequency at which interest is credited  
**Account:**



# FT MANAGED FUNDS SERVICE

Offshore Funds

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## OFFSHORE AND OVERSEAS

### BERMUDA (FSA RECOGNISED)

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

### BERMUDA (REGULATED)

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

### CAYMAN ISLANDS (REGULATED)

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Cayman Fund Ltd	CM000001	£100m	1.00	0.00	0.00	0.00
Admiral Cayman Fund Ltd	CM000002	£100m	1.00	0.00	0.00	0.00
Admiral Cayman Fund Ltd	CM000003	£100m	1.00	0.00	0.00	0.00
Admiral Cayman Fund Ltd	CM000004	£100m	1.00	0.00	0.00	0.00
Admiral Cayman Fund Ltd	CM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

Fund Name	ISIN	Assets	NAV	YTD	1Y	3Y
Admiral Bermuda Fund Ltd	BM000001	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000002	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000003	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000004	£100m	1.00	0.00	0.00	0.00
Admiral Bermuda Fund Ltd	BM000005	£100m	1.00	0.00	0.00	0.00

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Setting	Depth, ft	Yield	Setting Price	Buying Price	+ or -	Yield Gross
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## Takeover helps ease FTSE's Dow traumas

**MARKETS REPORT**  
By Steve Thompson  
UK Stock Market Editor

A week of high drama in the UK stock market ended with the FTSE 100 completing its recovery from Wall Street-induced trauma. And just as it was Wall Street that was the catalyst for London's hefty sell-off, so it was the US market that provided the excuse for investors to chase UK prices higher.

The Dow Jones Industrial Average moved into overdrive on Thursday evening, racing up another 145-points and hitting a record high, responding to

impressive earnings from IBM. That helped Wall Street recover from its technology-driven weakness earlier in the week.

There was no further gain for the Dow early yesterday, the average slipping more than 50 points as dealers reacted to the massive AT & T bid for MediaOne, the US cable group.

At the close of trading in London the FTSE 100 was 14.14 higher at 6,428.0, leaving the index 7.4

poor showing by many of the cyclical stocks that have enjoyed such a strong run recently. It finished the week a modest 11.7 lower.

The star of the FTSE indices was the SmallCap index which continued to show the All-Share, 100 and 250 indices a clean pair of heels. Up another 13.9 to 2,522.3, the SmallCap rose 65.1 or 2.2 per cent over the week.

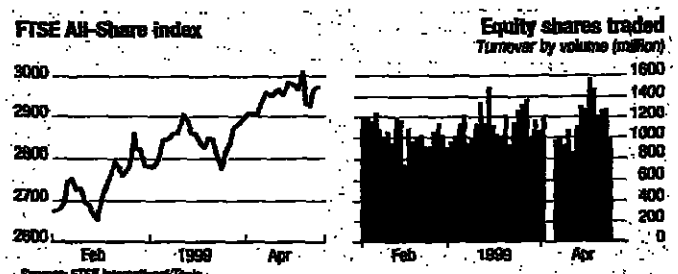
Market optimists are still hoping for further gains in UK interest rates. Earlier in the week those hopes were diminished by a stronger-than-expected average earnings increase of 4.6 per cent in the three months to February, although the March retail sales figure, up 0.4 per cent, was viewed as encouraging.

It was no surprise that the best individual performances in the FTSE 100 came from telecoms, where the prospect of more global takeovers-mergers saw the stocks well to the fore, led by TeleWest and Cable & Wireless. That was also the case in the takeover league where TeleWest and Vodafone

heaviest traded stocks in the FTSE 100.

Turnover in equities fell away from the relatively high levels of past sessions, eventually reaching 978m, the lowest this week.

Tesco was again the most active stock, attracting turnover of 37m shares or 2.5 per cent of all market business. Thursday had seen Tesco turnover reach 62m shares.



Indices and ratios	Value	%
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5
FTSE All-Share yield	2.25	2.27
FT 30	4025.4	+7.8
FTSE Non-Fin p/e	27.20	27.07
FTSE 100 P/E Jun	6477.0	+16.0
10 yr Gilt yield	4.74	4.74
Long gilts/equity yield ratio	2.04	2.04

## TRADING VOLUME IN MAJOR STOCKS

Stock	Vol.	Chg.	Days
ASDA Group	2,117	8879	-2
ASDA Retail	1,627	1278	+10
ASDA Finance	1,627	1278	+10
ASDA Insurance	1,627	1278	+10
ASDA Services	1,627	1278	+10
ASDA Telecom	1,627	1278	+10
ASDA Media	1,627	1278	+10
ASDA Energy	1,627	1278	+10
ASDA Transport	1,627	1278	+10
ASDA Utilities	1,627	1278	+10
ASDA Real Estate	1,627	1278	+10
ASDA Consumer Goods	1,627	1278	+10
ASDA Healthcare	1,627	1278	+10
ASDA Technology	1,627	1278	+10
ASDA Financial Services	1,627	1278	+10
ASDA Industrial	1,627	1278	+10
ASDA Miscellaneous	1,627	1278	+10

## EQUITY FUTURES AND OPTIONS TRADING

Contract	Open	High	Low	Settle	Open Int.
FTSE 100 INDEX FUTURES (LFFS) £10 per full index point	6428.0	6475.0	6420.0	6448.0	23714
FTSE 250 INDEX FUTURES (LFFS) £10 per full index point	5784.5	5820.0	5780.0	5800.0	1150
FTSE 350 INDEX FUTURES (LFFS) £10 per full index point	3070.3	3080.0	3060.0	3075.0	738
FTSE 100 INDEX OPTIONS (LFFS) £10 per full index point	6428.0	6475.0	6420.0	6448.0	23714
FTSE 250 INDEX OPTIONS (LFFS) £10 per full index point	5784.5	5820.0	5780.0	5800.0	1150
FTSE 350 INDEX OPTIONS (LFFS) £10 per full index point	3070.3	3080.0	3060.0	3075.0	738

## TeleWest takes role in drama

**COMPANIES REPORT**  
By Jeffrey Brown  
and Martin Brice

News of yet another blockbuster deal in the rapidly changing global communications business re-kindled interest in telecoms and cable shares yesterday.

TeleWest Communications, which has a subsidiary part in the drama of AT & T's \$58bn counterbid for US cable giant MediaOne, leapt to the top of the performance charts with 7.9 per cent gains and was the third most active stock. Cable and Wireless, along with mobile phone leader Vodafone, was also heavily dealt.

TeleWest, which includes both MediaOne and AT & T among its major shareholders, surged 20% to 282p in 12m shares traded as speculation about an imminent alliance ran high.

## MAIN MOVERS

FTSE 350	Close	Days	Days
ASDA Group	117	+8.3	
ASDA Retail	2824	+204	+7.8
ASDA Finance	279	+14	+5.4
ASDA Insurance	1859	+39	+5.4
ASDA Services	6070	+324	+5.3
ASDA Telecom	5718	+28	+5.1
ASDA Media	146	+7	+5.0
ASDA Energy	2824	+12	+5.0
ASDA Transport	2874	-25	-7.9
ASDA Utilities	1474	-40	-6.5
ASDA Real Estate	4194	-194	-4.2
ASDA Consumer Goods	1519	-89	-4.1
ASDA Healthcare	385	-15	-4.0
ASDA Technology	2874	-6	-4.0
ASDA Financial Services	2874	-119	-3.9

## recent strong outperformance

The broker moved from "buy" to "hold" on the shares, which shed 18% to 415p.

An upgrade and an increase in the sum-of-the-parts valuation to 605p by Cazenove led Scottish Power 3 higher at 528p after an active session.

## The shenanigans involving

BICC and Wessell seemed to pause for breath after the intervention of the Takeover Panel, with Wessell off 9 at 249p and BICC ahead a penny at 1084p.

Wessell said it would not bid for a year without the agreement of the BICC board, which has rejected an offer at 125p; the shares have not traded at this price since early last year.

## FT 30 INDEX

Index	Value	%
FT 30	4025.4	+7.8
FT 30 Div. Yield	2.83	2.85
FT 30 P/E Ratio	22.59	22.73
FT 30 Dividend Yield	22.59	22.73

## FTSE - LEADERS &amp; LAGGARDS

Stock	Change	%
ASDA Group	+14.14	+0.22
ASDA Retail	+14.14	+0.22
ASDA Finance	+14.14	+0.22
ASDA Insurance	+14.14	+0.22
ASDA Services	+14.14	+0.22
ASDA Telecom	+14.14	+0.22
ASDA Media	+14.14	+0.22
ASDA Energy	+14.14	+0.22
ASDA Transport	+14.14	+0.22
ASDA Utilities	+14.14	+0.22
ASDA Real Estate	+14.14	+0.22
ASDA Consumer Goods	+14.14	+0.22
ASDA Healthcare	+14.14	+0.22
ASDA Technology	+14.14	+0.22
ASDA Financial Services	+14.14	+0.22
ASDA Industrial	+14.14	+0.22
ASDA Miscellaneous	+14.14	+0.22

## UK SERIES

Series	Value	%
UK 100	6428.0	+14.14
UK 250	5784.5	-7.8
UK 350	3070.3	+5.2
UK All-Share	2522.3	+5.5

## FTSE Actuaries Share Indices

Index	Value	%
FTSE Actuaries	1000.0	+1.0
FTSE Actuaries 100	1000.0	+1.0
FTSE Actuaries 250	1000.0	+1.0
FTSE Actuaries 350	1000.0	+1.0

## FTSE Actuaries Industry Indices

Index	Value	%
FTSE Actuaries Industry	1000.0	+1.0
FTSE Actuaries Industry 100	1000.0	+1.0
FTSE Actuaries Industry 250	1000.0	+1.0
FTSE Actuaries Industry 350	1000.0	+1.0

## LIFFE EQUITY OPTIONS

Option	Call	Put	%
FTSE 100	1000.0	1000.0	+1.0
FTSE 250	1000.0	1000.0	+1.0
FTSE 350	1000.0	1000.0	+1.0

## NEW 52 WEEK HIGHS AND LOWS

Stock	High	Low
ASDA Group	117	117
ASDA Retail	2824	2824
ASDA Finance	279	279
ASDA Insurance	1859	1859
ASDA Services	6070	6070
ASDA Telecom	5718	5718
ASDA Media	146	146
ASDA Energy	2824	2824
ASDA Transport	2874	2874
ASDA Utilities	1474	1474
ASDA Real Estate	4194	4194
ASDA Consumer Goods	1519	1519
ASDA Healthcare	385	385
ASDA Technology	2874	2874
ASDA Financial Services	2874	2874

## LONDON RECENT ISSUES: EQUITIES

Issue	Value	%
FTSE 100	6428.0	+14.14
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## RIGHTS OFFERS

Issue	Value	%
FTSE 100	6428.0	+14.14
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## Hourly movements

Index	Value	%
FTSE 100	6428.0	+14.14
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## FTSE 100

Index	Value	%
FTSE 100	6428.0	+14.14
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## FTSE 250

Index	Value	%
FTSE 250	5784.5	-7.8
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## FTSE 350

Index	Value	%
FTSE 350	3070.3	+5.2
FTSE All-Share	2522.3	+5.5

## FTSE All-Share

Index	Value	%
FTSE All-Share	2522.3	+5.5

## FTSE 100 P/E

Index	Value	%
FTSE 100 P/E	6477.0	+16.0

## FTSE 250 P/E

Index	Value	%
FTSE 250 P/E	5784.5	-7.8

## FTSE 350 P/E

Index	Value	%
FTSE 350 P/E	3070.3	+5.2

## FTSE All-Share P/E

Index	Value	%
FTSE All-Share P/E	2522.3	+5.5

## FTSE 100 Div. Yield

Index	Value	%
FTSE 100 Div. Yield	2.83	2.85

## FTSE 250 Div. Yield

Index	Value	%
FTSE 250 Div. Yield	2.83	2.85

## FTSE 350 Div. Yield

Index	Value	%
FTSE 350 Div. Yield	2.83	2.85

## FTSE All-Share Div. Yield

Index	Value	%
FTSE All-Share Div. Yield	2.83	2.85

## FTSE 100 P/E Jun

Index	Value	%
FTSE 100 P/E Jun	6477.0	+16.0

## FTSE 250 P/E Jun

Index	Value	%
FTSE 250 P/E Jun	5784.5	-7.8

## FTSE 350 P/E Jun

Index	Value	%
FTSE 350 P/E Jun	3070.3	+5.2

## FTSE All-Share P/E Jun

Index	Value	%
FTSE All-Share P/E Jun	2522.3	+5.5

## FTSE 100 Div. Yield Jun

Index	Value	%
FTSE 100 Div. Yield Jun	2.83	2.85

## FTSE 250 Div. Yield Jun

Index	Value	%
FTSE 250 Div. Yield Jun	2.83	2.85

## FTSE 350 Div. Yield Jun

Index	Value	%
FTSE 350 Div. Yield Jun	2.83	2.85

## FTSE All-Share Div. Yield Jun

Index	Value	%
FTSE All-Share Div. Yield Jun	2.83	2.85

## FTSE 100 P/E Jun 2000

Index	Value	%
FTSE 100 P/E Jun 2000	6477.0	+16.0

## FTSE 250 P/E Jun 2000

Index	Value	%
FTSE 250 P/E Jun 2000	5784.5	-7.8

## FTSE 350 P/E Jun 2000

Index	Value	%
FTSE 350 P/E Jun 2000	3070.3	+5.2

## FTSE All-Share P/E Jun 2000

Index	Value	%
FTSE All-Share P/E Jun 2000	2522.3	+5.5

## FTSE 100 Div. Yield Jun 2000

Index	Value	%
FTSE 100 Div. Yield Jun 2000	2.83	2.85

## FTSE 250 Div. Yield Jun 2000

Index	Value	%
FTSE 250 Div. Yield Jun 2000	2.83	2.85

## FTSE 350 Div. Yield Jun 2000

Index	Value	%
FTSE 350 Div. Yield Jun 2000	2.83	2.85

## FTSE All-Share Div. Yield Jun 2000

Index	Value	%
FTSE All-Share Div. Yield Jun 2000	2.83	2.85

## FTSE 100 P/E Jun 2001

Index	Value	%
FTSE 100 P/E Jun 2001	6477.0	+16.0

## FTSE 250 P/E Jun 2001

Index	Value	%
FTSE 250 P/E Jun 2001	5784.5	-7.8

## FTSE 350 P/E Jun 2001

Index	Value	%
FTSE 350 P/E Jun 2001	3070.3	+5.2

## FTSE All-Share P/E Jun











Highs & Lows shown on a 52 week basis

# WORLD STOCK MARKETS

## NORTH AMERICA

UNITED STATES (Apr 23 / US\$)

(in millions)

NYSE

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## EUROPE (NON-EMU)

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## EUROPE (EMU) Prices in €

UNITED STATES (Apr 23 / US\$)

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## WORLD STOCK MARKETS

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# AT&T bid lifts cable target 10%

## AMERICAS

All eyes were on the telecom sector in early trading on Wall Street following AT&T's \$55bn unsolicited bid for cable company MediaOne, writes John Lubat in New York.

The takeover bid came after the market closed on Thursday and set off a storm of speculation yesterday as to how any of the three parties involved would respond.

Communications stocks were lifted by the offer. The telecom, MediaOne, surged 10.8 per cent to \$77.4, while Comcast, with which MediaOne had earlier agreed a merger, gained \$1.7 to \$67.

After a strong rise on Thursday, AT&T shares climbed 5.1 per cent to \$53.7, while Comcast, dragged down by the Dow Jones Industrial Average, fell 1.4 per cent to \$52.2.

Oil stocks were weaker in the Dow, but there were also notable gains. IBM climbed \$3.4 to \$200 on renewed enthusiasm for its earnings released midweek.

Outside the technology sectors, however, the tone remained cautious with the Standard & Poor's 500 index down 1.2 to 1,337.34.

The Nasdaq composite pushed higher, up 16.33 to 2,577.94 as the technology-weighted index moved a record high.

Comcast Computer continued to underperform its rivals, down 4.1 to \$23.3. Dell Computer gained \$1.1 to \$31.7, while Apple Computer rose 1.2 per cent to \$12.7.

Networking equipment makers were also lifted by the AT&T bid, with Cisco Systems up 1.2 to \$43.2, and 3Com up 1.1 to \$28.3.

Other telecom stocks were mixed, although 3Com surged 18 per cent to \$28.3. America Online shares were down 5.2 to \$14.5.

With a mixed performance in equities, US Treasuries recovered some lost ground. The 30-year benchmark bond gained 1/8 to 95 1/8, yielding 5.587 per cent.

TORONTO was mixed at midsession with gains in the communications group offset by losses in resource shares.

The TSX-300 composite index was \$25.43 at the end of a quiet day. The index closed at 7,010.38 in fairly heavy volume of 58.9m shares.

Rogers Communications put on \$1.85 to \$28.15 on news that it planned to redeem its outstanding 7.5 per cent convertible debentures next month.

MEXICO CITY shadowed the Dow's downward trend at midsession as some profits were taken after Thursday's 3.6 per cent rise. The IPC index was 10,671 lower at midsession at 4,565.00.

BUENOS AIRES edged lower at midsession on selective profit-taking after strong gains totalling 23 per cent so far this month, but analysts said that the underlying trend remained firm.

The Merval index was 4.55 lower by midsession at 511.63. The index closed at 511.63.

SAO PAULO was flat at midsession, holding up better than some analysts had expected to the currency market scandal, involving former central bank president Francisco Lopes.

Analysts were concerned that developments could erode investor confidence. The Bovespa index eased 13 to 11,070.

up by a \$17.20 rise in Anglo to \$283. Resources rose 21.84 to \$279.3 but golds gave up 2.6 to \$58.5.

Industrials eased 13.2 to \$730.9 and financials lost 59.1 to \$344.8 in spite of a March trade surplus double market estimates.

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# Bourses retreat as telecom merger left on hold

## EUROPE

Most European markets retreated yesterday, with Helsinki showing the sharpest drop. Trading was dominated by a recovery in telecoms, while the planned Telecom Italia-Deutsche Telekom merger ran into political difficulties.

The FTSE Euro100 index, which covers leading companies in the euro-zone, closed 4.33 or 0.4 per cent lower to 1,657.28. The FTSE Eurotop 100, covering countries inside and outside of monetary union, slid 2.94 to 2,984.02 while the broader FTSE Eurozone 300 settled 1.92 lower to 1,296.51.

PARIS succumbed to profit-taking, with the CAC-40 23.42 or 0.7 per cent lower to 4,329.43 at the end of a quiet day.

France Telecom recovered healthily after the Italian government poured cold water on the planned Telecom Italia-Deutsche Telekom merger by saying the German government should spell out when it would sell its stake in Deutsche Telekom. Shares in the French carrier closed €2 higher to €76.15.

Other telecom stocks fared less brightly, with Alcatel down €5.50 to €115.50 and Equant down €1.90 to €78.

FRANKFURT surrendered to a weak end, with the Xetra Dax index finished 33.75 lower at 5,187.89.

Deutsche Telekom edged up 7 cents to €35.37 as fears grew that Italian opposition would sink the planned merger with Telecom Italia.

Deutsche Bank, the country's largest bank, put on €1.04 to €15.80 as it forecast a marked increase in earnings at its investment banking division this year.

BASF slid €1.49 to €40.01 ahead of first-quarter earnings next week.

AMSTERDAM ended little changed despite support from telecom and technology stocks. The AEX index settled 0.33 lower to 561.23.

Dutch carrier KPN rose a healthy €1.55 or 3.8 per cent to €42.50.

Among the high-tech stocks to recover from last week's plunge were software company Beas, up 15 cents to €6.20, and semiconductor manufacturer ASML, up 35 cents to €44.30.

Analysts said falling interest rates ensured that warrants, bank stocks and construction issues would remain attractive.

JAKARTA ran out of steam as an early rally hit by overseas gains was subdued by a plunge in cigarette firms.

Guidance Garuda tumbled Rp1,700 or 12 per cent to Rp12,500 as analysts took the view that a recent rally had left the stock overvalued and ripe for profit-taking.

Banking shares, however, dominated volume charts, ahead of an announcement by the central bank of progress in the government-led bank recapitalisation scheme.

The composite index ended down 5.55 or 1.2 per cent at 473.57.

TAIPEI put on 1.6 per cent as foreign funds' persistent net buying and Wall Street's overnight rally pushed the Taiwan index above the 7,500 threshold.

Raw material stocks found the best demand, with textiles up 3.9 per cent, rubber up 3.5 per cent and paper shares up 3.8 per cent. The weighted index climbed 118.20 to 7,512.80.

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ZURICH gave up early gains to close lower with the SMI index down 34.0 to 7,145.3.

Novartis continued on a downward track in the aftermath of Wednesday's lower-than-expected first-quarter figures. The shares lost SF21 to SF21.204, while Roche certificates, beneficiaries of switching earlier in the week, lost SF218 to SF217.120, as they traded ex dividend.

Thursday's high-flier, UBS, continued to draw strength from its solid 21 per cent rise in first-quarter results. The shares, up 4 per cent on Thursday, added another SF10 to SF219.

MADRID ignored losses on Wall Street and the bigger European bourses to close 7.70 or 0.8 per cent higher to 10,212.50.

The carrier was the sharp rise among European blue chips, adding €1.90 or 4.6 per cent to €43.38, powered by renewed merger speculation in the sector.

MILAN was lower as concerns about the war in Kosovo and slow economic growth kept a brake on the market. The Mibtel index finished down 12 to 24,766.

Telecom Italia put on 2 per cent to €10, still below the €11.50 offered by Olivetti.

HELSINKI continued to swing, underperforming other European markets on the index, shed €3.15 or 4.1 per cent to €74 after a rise of almost 9 per cent on Thursday.

Written and edited by Michael Morgan, Bertrand Benoit and Paul Grogan

FTSE Actuaries Share Indices

European series

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FTSE 5100

FTSE 5150

FTSE 5200

FTSE 5250

FTSE 5300

FTSE 5350

FTSE 5400







# Nomura Securities falls into the red

**Daiwa Securities** reported a fall in group revenues from ¥523bn to ¥354bn, creating an operating loss of ¥89bn from ¥14bn. Daiwa Securities has also recently made large write-offs for domestic real estate affiliates.

Should the Deutsche Telekom deal succeed, many familiar with Mr Bernabe's style find it difficult to see how he can share power for long with Mr Sommer, whose relentless drive means he is tipped as the most likely survivor. For Mr Bernabe it is not an immediate issue. He may anyway be plotting, not the next, but probably three or four surprises ahead.

However, analysts remain cautious, having seen a succession of very weak quarters and a widespread management shake-up. Kellogg has seen its US market share slide over the past decade, from more than 40 per cent to about 32 per cent, while the breakfast cereal market itself has shrunk.

The dismissals affect most of Norway's business heavyweights including Kjell Kran, chief executive of Union Bank of Norway, one of Norway's largest banks, Tormod Hermansen, chief executive of the proposed Norwegian-Swedish telecommunications merger between Telenor and Telia, and Yngve Haagenen, secretary general of the Norwegian Federation of Trade Unions. *Valeria Sköld, Oslo*





# COMPANIES FT MARKETS

Weekend April 24/April 25 1999

BUILDING HOMES OF INDIVIDUALITY FROM SCOTLAND TO THE SOUTH COAST

## Italian ministers hit out at telecoms deal

Rome's finance chief says merger has air of acquisition by Deutsche

By James Biltz in Rome and Peter Norman in Brussels

Three Italian ministers yesterday attacked the planned merger between Telecom Italia and Deutsche Telekom as signs grew that the proposal could be blocked by the disagreement between the Rome and Bonn governments.

Vincenzo Visco, Italy's finance minister, said the deal had the air of an "acquisition" by the German side rather than a 50-50 partnership.

"It is not reasonably acceptable or conceivable that Telecom Italia should be acquired by a state-owned German company. The conditions ought to be clear: the privatisation of Deutsche Telekom and a 50-50 partnership in the new group," said Mr Visco.

Enrico Micheli, Italy's public works minister, said Telecom Italia was "too important for the nation to be the subject of an acquisition".

Salvatore Cardinale, communications minister, said the

German side needed to give "clear, precise and rapid signals" on parity between Deutsche Telekom and Telecom Italia and the sell-off of Bonn's remaining 72 per cent stake in Deutsche Telekom.

However, the German government said there was no need to revise an assurance it had given the Italian Treasury that it would not directly interfere in the running of Deutsche Telekom. But it did not rule out a meeting with the Italian government.

The comments from the Italian ministers represent fears that it will be difficult politically to accept what is seen as a renationalisation of Telecom Italia following its privatisation almost two years ago.

Some ministers back Roberto Colaninno, the Olivetti chief executive, who is pressing ahead with plans for a takeover bid for Telecom Italia.

It emerged yesterday that arrangements had been finalised for a €22.5bn (\$34bn) syndicated loan to partly finance

Olivetti's hostile bid, which is likely to be launched formally next Friday.

Meanwhile, the European Commission yesterday approved Deutsche Telekom's takeover of Max Mobil, Austria's second biggest mobile phone operator, in a deal that will add to the complexity of any eventual EU inquiry into the Deutsche-Italia deal.

Karel van Miert, the EU competition commissioner, has indicated the Brussels anti-trust authorities are concerned that the proposed merger of the German and Italian telecoms giants could cause problems in the Austrian and Italian markets.

It is also expected that Mr van Miert's officials will look closely at product markets such as internet access and data processing transmission as well as fixed and mobile telephony to establish how far the new company would pose a threat to free competition.

Telecoms marriage, Page 23

## São Paulo phone bid won by Bell Canada

By John Burian in São Paulo

A consortium led by Bell Canada International yesterday won the auction for a licence to set up a new telephone network in São Paulo, Brazil's wealthiest state, to compete with Telefonica, the Spanish-owned operator of the existing privatised system.

The winning consortium won the "mirror" licence because of the aggressive investment targets it pledged. Both the Bell Canada consortium, which includes California-based Qualcomm and WLL International, and its opponent, an Argentine-Uruguayan group, offered the minimum price of R\$70m (\$41.7m) for the licence itself.

The arrival of an alternative to Telefonica should be good news for consumers who have suffered serious disruption to services as Telefonica struggled to meet performance targets set by the regulator Anatel.

Last year the Spanish group paid R\$5.78bn (then equivalent to \$496m) for control of the São Paulo network, paying a 64 per cent premium over the minimum price.

The mirror auction was also good news for the government, which failed to attract any interest in the franchise at a previous auction in January, as the country's currency crisis gathered pace. Yesterday's auction follows a successful privatisation in April of the São Paulo state-owned gas company, sold for \$96.7m, 119 per cent over the minimum price.

Brazil's rehabilitation in international markets was further underlined this week with the successful launch of its first bond issue in more than a year.

The Bell Canada consortium will use wireless local loop technology to install its network more quickly and cheaply than using conventional technology. Bell Canada led a virtually identical consortium to sweep the territory covering eastern Brazil and Rio de Janeiro in January.

Régio Martins, telecom analyst at Deutsche Bank in São Paulo, said: "It costs R\$450 to install a WLL line, half the cost of a [conventional] fixed line. WLL lines are digital and are quick to set up."

## THE LEX COLUMN

### Armstrong's giant leap

Suddenly beset by suitors, who should MediaOne shareholders choose? AT&T's \$56bn bid for the US cable group is currently worth 15 per cent more than the \$49bn offer from Comcast, a rival cable operator. More than a third of AT&T's proposal is in hard cash, which can be increased to maintain the value of the bid if its stock drops. Meanwhile, family-controlled Comcast is paying only in non-voting shares. Since both offer a similar vision - a bundle of electronic services piped into homes via broadband cable networks - AT&T's bid looks superior.

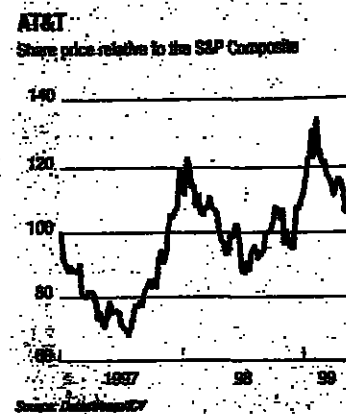
But it is not as clear cut as that. Comcast is a young, entrepreneurial company in an industry growing at three to four times the rate of the telephone giant's core business. Granted, AT&T is being transformed into a more aggressive, faster-growing animal by Michael Armstrong, chairman, and the shares have nearly doubled since he took over in November 1997, but Comcast's have done even better, so its paper might be more attractive to investors.

And, although AT&T is offering more, it is promising only \$300m in synergies against Comcast's \$500m (an estimate AT&T pooh-poohs). As a result, it faces substantial short-term dilution of cash flow and earnings. More seriously, after \$70bn of previous acquisitions, there is a risk that AT&T develops indigestion.

Although AT&T clearly has the edge, a higher counter-offer from Comcast, especially if partnered by Microsoft, one of its shareholders, is still possible.

#### Automobile Association

If ever there were a case for being wary of windfall mania, the Automobile Association, the UK's leading car recovery organisation, is it. It is not yet clear that it will be sold or go public. Even so, valuations of \$1.5bn (\$2.4bn) look wildly optimistic. More conservative figures would yield \$200 each for the 4.3m full members. If the AA loses its mutual status, carpooling will not be the reason. Mutual building societies - which borrow from savers to lend to homebuyers - make a profit and have substantial reserves. But the AA is running close to empty on both counts. The rationalisation of the past two years has had a cost - about \$50m last year in a business making little return on \$800m of sales. Investment is also needed. Although the organisation has about



AT&T share price relative to the S&P Composite

\$150m in reserve, some must be kept as a cushion against borrowing. So if the AA needs more money, why not sell it to a deep-pocketed backer? The auction for the RAC, its smaller rival, has thrown up plenty of candidates. If the RAC (including British School of Motoring) can fetch \$400m, what value might be placed on the market leader? The AA's breakdown service is 60 per cent bigger than the RAC's. Using a multiple of 1.5 times sales - a generous comparison - gives around \$650m. It is just plausible that financial services, insurance and the rest could drive the total to \$1bn. Anything more would depend on an auction.

But a more attractive proposition might be for the AA to turn itself into a company to gain access to the capital markets and speed up cultural change, while continuing to expand via partnerships. Only a need for urgent action should drive it into the arms of one big backer.

#### Preussag

Alongside Mannesmann's shift into telecommunications, Preussag's transformation from stodgy industrial group to fast-growing leisure service provider ranks among Germany's most impressive corporate re-inventions. A flurry of acquisitions over the past 18 months - the most important being the purchases of market-leading German tour operator Hapag-Lloyd for about €1.4bn (\$200m) and of a controlling stake in the UK's Thomas Cook/Carlson has created Europe's pre-eminent tourism company. Along the way, Preussag has sold its steelworks and coalmines and is in the process of quitting shipbuilding. Much should be discarded yet. But the result is that Preussag's shares have outperformed the Dax index by 40 per cent

since the start of 1998. Number three in the UK market, Preussag would undoubtedly feel threatened should either Airtours or, less plausibly, the even bigger Thomson Travel wrest First Choice from its proposed merger with Switzerland's Kuoni. Like Thomson, Preussag is a believer in the marketing and scale advantages of being top dog.

Few expect it to let the chance of achieving that in the UK slip away. That said, Preussag has a lot on its plate in that market already. Since it has virtually no presence in France and Italy, Club Med, in which the Agnellis are increasing their stake, could be a more attractive target.

#### Exchange rates

US officials have been laying down the law about foreign exchange markets. Robert Rubin, Treasury secretary, has said International Monetary Fund money should not be used to prop up fixed rate regimes. Meanwhile, Lawrence Summers, Mr Rubin's deputy, has said that countries are welcome to dollarise their economies but the US will not act as bank supervisor or lender of last resort, or adjust its monetary policy to help a country out.

In short, countries have to decide between floating rates or a currency board/dollarisation - to decide, in other words, between submitting to the dictates of the free market or the US government.

Exchange rate pegs have an unfortunate history of being used as a substitute for more painful economic choices. A strong currency can be the result of a strong economy but is unlikely to be the cause of one. And while it may seem attractive to limit the impact of volatile currencies on an economy, the long-term consequence of such an arrangement is damaging. The domestic private sector sees the peg as an implicit guarantee and borrows heavily in foreign currencies, making the cost of abandoning the peg calamitous.

But a currency board or dollarisation are not easy choices. Both involve the relinquishing of monetary policy-making to another country and require the real economy to bear the whole burden of outside shocks.

For many countries, that is neither affordable nor politically acceptable. Most will stick with a floating rate. But more may also decide that they need Chilean-style capital controls to give them protection.

## Hyundai to pay \$2.1bn for chip maker LG Semicon

By John Burton in Seoul

Hyundai, South Korea's largest conglomerate, yesterday agreed to pay Wn2,560bn (\$2.15bn) for LG Semicon to create the world's largest memory chip producer in a state-sponsored merger.

Hyundai also announced new details of its plan to cut its \$90bn debt, including the possible sale of its oil refining and steel operations.

The chip deal ended months of negotiations since the LG group rejected Hyundai's initial offer of Wn1,200bn.

Hyundai Electronics was selected in December to take over LG Semicon in a government effort to reduce overcapacity in main export industries.

"It's not a low price since Hyundai will have to assume LG Semicon's debt of at least Wn5,000bn," said Namuh Rhee, research head at Samsung Securities.

Officials recently pressed

Hyundai to raise its offer so that the deal, the centrepiece of the government's industrial consolidation programme, would be quickly concluded.

Analysts expect cost-saving benefits of the merger will not occur for another two or three years because the two chip makers use different production technologies and must wait until the next generation of memory chips to integrate operations.

The deal is expected to increase financial pressure on Hyundai group, whose debt burden is more than five times equity. The total debt of the merged chipmaker is estimated at more than Wn14,000bn, or 10 times equity, according to Samsung Securities.

Hyundai said it would pay Wn1,560bn to LG soon after a final contract was signed by June 30. This would include shares that Hyundai holds in Dacom, a telecommunications operator that LG is interested

in acquiring. The remaining payment of Wn1,000bn would be paid in five equal instalments by 2002.

There are suggestions that Hyundai Electronics' creditor banks might ease the financial pressure by offering debt-for-equity swaps or debt write-offs.

But this could provoke objections from the US, which claims debt conversions by nationalised banks amount to state subsidies that would violate international trade laws.

Hyundai Electronics and South Korea's Samsung Electronics, which between them have 40 per cent of the global market for memory chips, are the main competitors of Micron of the US, which has complained about Korean state support for the chip industry.

The merger is expected to eliminate LG Semicon's proposed chip plant in Wales, although Hyundai may proceed with its chip facility in Scotland.

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#### Markets Latest

FTSE 100	4,498	(+14.4)
Yield	2.14	
FTSE Europe 300	1,268.91	(-1.52)
FTSE All Share	2,974.88	(-0.24)
Nikkei	16,622.25	(+257.37)
New York S&P 500	1,070.70	(-25.48)
S & P Composite	1,254.54	(-3.38)
LONDON MONEY		
3m Interest	5.2%	(5 1/4)
Libor 6m (4m)	116.88	(116.33)
US LUNCHTIME RATES		
Federal Funds	4.825%	
3m Treas Bill Yld	4.44%	
Long Bond	5.5%	
Yield	5.6%	
NORTH SEA OIL (Argus)		
Brent Dated	\$16.025	(16.25)
GOLD		
New York Comex (Apr)	\$382.6	(283.5)
London	\$383.45	(283.25)

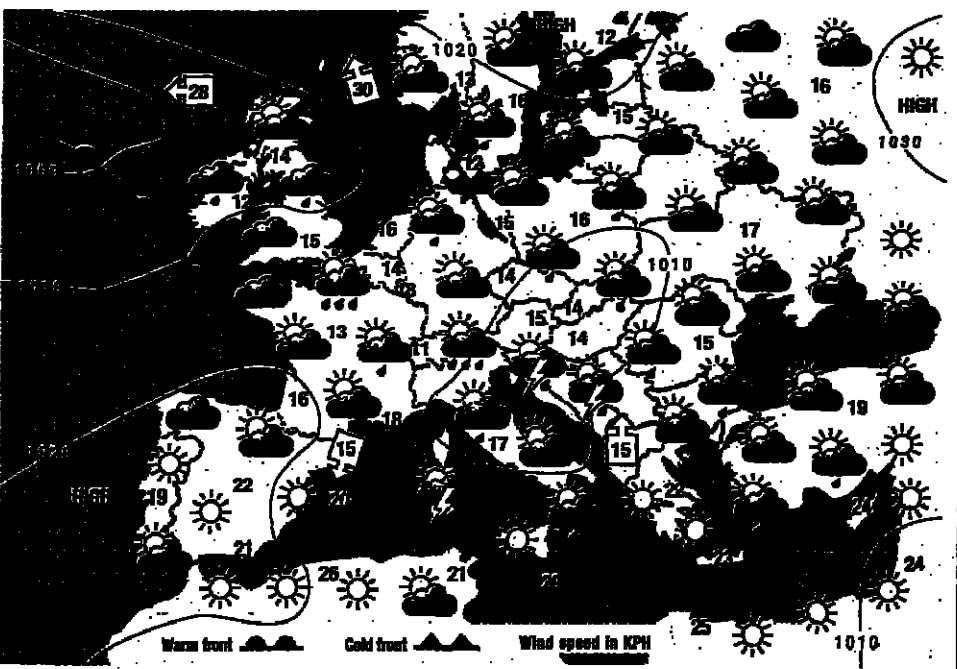
#### Weather

##### Europe today

France and the Low countries will have showers or longer periods of rain. Later, the north-west coast will cloud over, with rain possible by evening. The rest of central Europe will be showery, with sunshine further east towards Poland, Belarus and the Baltic states. The Iberian peninsula will be fine, warm and sunny, as will most of Greece and Turkey. Most of Italy and the Balkans will have sunny spells and showers. Scandinavia will be settled and dry with sunshine.

##### Five-day forecast

Fine, dry conditions over the Iberian peninsula will break down on Sunday as unsettled conditions over north-west Europe extend southwards. Other countries bordering the Mediterranean, along with northern Greece, Bulgaria and the Balkans, will continue to be showery with thundery rain.



Station at midday. Temperatures maximum for day. Forecasts by THE WEATHER CENTRE

##### TODAY'S TEMPERATURES

Abu Dhabi	Sun	32	Berlin	Sun	18	Cairo	Sun	26	Faro	Fri	20	Madrid	Sun	22	Reykjavik	Rain	8
Accra	Thunder	33	Beijing	Shower	19	Cardiff	Fri	13	Frankfurt	Shower	15	Moscow	Fri	20	Rio	Cloudy	24
Algiers	Sunny	25	Belfast	Shower	18	Geneva	Fri	13	Genoa	Rain	11	Manchester	Shower	14	Rome	Shower	15
Amsterdam	Cloudy	16	Berlin	Shower	13	Hamburg	Shower	15	Heidelberg	Shower	15	Medan	Fri	20	Sao Paulo	Fri	22
Athens	Sun	22	Bombay	Sun	32	Hong Kong	Fri	24	Hong Kong	Fri	26	Miami	Fri	20	Shanghai	Shower	27
Bahia	Cloudy	24	Brussels	Shower	14	Isle of Man	Fri	13	Isle of Man	Fri	13	Montreal	Fri	18	Shenzhen	Shower	20
Bangkok	Fri	35	Chengdu	Fri	12	Jakarta	Fri	26	Jakarta	Fri	26	Moscow	Fri	18	Singapore	Shower	27
			Dublin	Cloudy	12	Johannesburg	Shower	20	Johannesburg	Shower	20	Nairobi	Fri	20	Taipei	Shower	21
			Edinburgh	Rain	13	Karachi	Sun	35	Karachi	Sun	35	Naples	Fri	17	Tokyo	Fri	18
						Kuala Lumpur	Sun	34	Kuala Lumpur	Sun	34	Nice	Fri	18	Vancouver	Fri	20
						Las Palmas	Fri	24	Las Palmas	Fri	24	Niagara	Fri	19	Vladivostok	Fri	14
						Lima	Fri	25	Lima	Fri	25	Perth	Fri	13	Washington	Cloudy	15
						London	Fri	15	London	Fri	15	Perth	Fri	13	Wellington	Cloudy	15
						Luxembourg	Shower	12	Luxembourg	Shower	12	Prague	Fri	14	Zurich	Rain	11
						Lyon	Shower	12	Lyon	Shower	12	Prague	Fri	14			
						Madrid	Sun	21	Madrid	Sun	21	Pyeonggang	Cloudy	35			

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In black and white  
Wall St maverick  
who would never bend  
Page VIII



Candy in a coalmine  
Pretty and feminine  
challenges modern utility  
Page X



Toddler training  
Tinky Winky got the bag because  
little ones love handbags'  
Page III

# Different stroke

The natives are only semi-restless. As they approach election day, some say the Scots' growing self-confidence has diminished their introspection and allowed them to go in search of an identity. But Brian Groom finds Scotland is not yet fully at ease with its notion of itself

In two weeks, Scotland will elect a devolved parliament, its first national legislature since independence was signed away in the 1707 Act of Union. This election is unlikely to put Scotland on the road to separatism - the ruling Labour party is leading in the polls, and the pro-independence Scottish National party appears to have misread the mood - but few would bet on what might happen in 10 or 15 years.

The political awakening that led to devolution follows a cultural revival that began three decades ago. The psychology of it fascinates outsiders, who come searching for its meaning - leaving Scotland's 5m inhabitants feeling prodded and poked like guinea pigs in an experiment about identity, culture and nationalism, about politics and belonging, about the importance of local roots within a globalised economy.

Ian Rankin, crime writer, is worth listening to. He may lack the chemical cool of an Irvine Welsh or the intellectual austerity of a James Kelman, but his is the popular voice of the Scottish renaissance. He holds eight of the top 10 slots in the Scottish bestsellers' list. Recently he made the UK top 10, and a television series of his stories planned for this autumn is likely to increase his popularity south of the border.

"In my next book a prospective member of the Scottish parliament is bludgeoned to death," Rankin says cheerily. Meanwhile a down-and-out commits suicide by throwing himself off Edinburgh's North Bridge. This is more than just another case for his sleuth, Detective Inspector John Rebus. The contrast between the two deaths - between the haves and have-nots, between the Scottish capital's corridors of power and its tenements of despair - tells us something about the Scottish mind.

Rankin's novels contrast Edinburgh's genteel exterior with its dark underside; its public probity with its private vice; its elegant town houses with its poor housing estates; its Catholic east with its Protestant west. Nationally, these divisions are mirrored in the mistrust between garrulous Glasgow and reserved Edinburgh. "You start with the divided self, and widen out to the divided city and then to the divided country - and eventually, perhaps, to a divided world," he says.

Scottish writers have long been obsessed with duality. It has to do with being a nation that is not a proper nation: maintaining your identity while submerging it in someone else's. In Robert Louis Stevenson's *The Strange Case of Dr Jekyll and Mr Hyde*, and James Hogg's *Confessions of a Justified Sinner*, it became a pathological condition. Some see it as a source of paralysis, an excuse for Scotland's failure to seize its own destiny - a nation caught in two minds. Other diversionary tactics include a Jewish-style inquest, a relish for glorious

defeats and pessimism, as in the proverb: "Oor first breath is the beginning o' daith."

Dualism even has a fancy name, the Caledonian Antiszyzygy (coined in 1919 by G. Gregory Smith). It holds that a clash of extremes lies at the heart of the Scottish psyche. R.D. Laing, the Glasgow psychoanalyst and sage of the 1960s, turned this into Scotland's gift to the world: a global malady of alienation between the inner and outer self.

Modern orthodoxy says Scotland's growing self-confidence has shaken off this and other demons that held back the nation from self-fulfilment. A flowering of culture and science, and an economic transformation, have created the conditions for political autonomy. At last the Scots know who they are.

Rankin is not so sure. "I think we are still struggling to come to terms with that identity. Maybe it will become clearer when the parliament is up and running and people get more confident, and start to ask questions about themselves," he says.

Few doubt there has been substantial change. A.L. Kennedy, the novelist, says: "In the 1970s, we were going to just disappear or turn it round." Since then a nation that had submerged itself in a British identity, and accepted a tartan-and-heather image, has remade itself for the modern world. It now feels more European than British.

The energy came from within, assisted by the 1970s kick-to-your-roots zeitgeist. It came from writers such as Alasdair Gray and Liz Lochhead, painters such as Ken Currie of the Glasgow Boys school, who explored the city's industrial past, and from political the-

movie, and Robert Carlyle in the highwayman film *Phantoms and MacLeans*.

Scotland started changing as the British empire, in which Scots played a large part as soldiers, traders and colonial administrators, crumbled - it had largely gone by 1970, but the process of adjustment continues. Secularisation of western societies also helped transform traditionally Presbyterian Scotland. Scots had participated enthusiastically in the British state: enjoying the fruits of empire, defending Protestantism. Without either, the United Kingdom in its existing form began to be questioned.

Inside Scotland, the change is illustrated by the reception accorded a sentence written in 1970. Tom Nairn, the nationalist intellectual, wrote in an essay: "Scotland will be reborn the day the last minister is strangled with the last copy of the Sunday Post." Adapted from French anti-clericalism via Diderot (humanity would be free when "the last king was strangled with the entrails of the last priest"), it became mythologised as a national joke.

The minister in question was of the Presbyterian Church of Scotland, seen as suppressing the nation's political instincts by sublimating them into homely values espoused by the biggest selling

Miracles, is ready in autumn 2001.

The Kirk's modern role is a departure from its traditional conservative stance. Working-class Protestant support for the status quo was strong as recently as 1955, when Unionists and allies won 50 per cent of the Scottish vote; but in the 1997 general election, the Scottish Conservative and Unionist party won 18 per cent and no seats.

Scotland's Catholic minority, by contrast, traditionally voted Labour - a link that persists. On the whole, however, religious sectarianism has declined as society has become more secular, and it is the political link between Protestantism and Unionism that has declined the most.

Presbyterian Calvinism also used to hold a powerful, conservative grip on Scotland's morality; that has gone, too. Take sex. The writer R.B. Cunningham Graham once said: "The Scots fornicate gravely but without conviction." (Short of conducting mass observation, how could he know?) Wags say sex in Scotland improved dramatically when central heating was invented. The truth is that as religion waned, Scotland experienced the same changes in sexual behaviour as other western societies.

Scots are as susceptible to the Coca-Cola culture as other

"My father was a Labour-supporting British Unionist. He always said he had more in common with workers in Birmingham and Coventry than with [Scots businessman] Sir Hugh Fraser. But our children already think of themselves as Scottish, not British. It wasn't a question for him and it isn't a question for them. We are the questioning generation," says Clements.

Like others, he sees a "reborn sense of Scottish identity". That view is shared by Michael Fry, a Tory historian and parliamentary candidate. A long-standing devolutionist, Fry voted against Labour's plans because the parliament will not have responsibility for raising all its revenues, but he shares the excitement about its arrival.

He sees cause for optimism: the health of Scotland's economy, its classlessness (relative to England) and social mobility. But he also sees "confusions" in the national psyche - notably the Scots' tendency to see themselves as victims, blaming other people (such as Margaret Thatcher) when something goes wrong. "Scotland is going to have to learn quickly that in the new political system it will have to take more responsibility for itself," he says.

Other factors cause concern to some observers. A rise in reported incidents of anti-English racism, for instance. Another tendency is for Scots to pick which national myths they choose to believe in; seeing themselves as oppressed, many blot out their past role as British imperialists.

For a supposedly sophisticated nation, Scotland swallowed the unhistorical Hollywood hokum of the film *Braveheart* - an inspiration to US white supremacists and blood-and-violence nationalists the world over - hook, line and sinker. The SNP's ratings shot up after its release, courses in Scottish history boomed, and now one of New Scotland's coolest companies, Red Lemon in Glasgow, is launching a Braveheart computer game.

All of which suggests, as Ian Rankin implies, that Scotland is not yet wholly at ease with its notion of itself. It remains susceptible to crude and romantic messages from outside. As the parliament strives to make an impact, Scotland's identity will be as much a battleground as its political future.

The author edited *Scotland on Sunday* between 1994 and 1997. He now heads the FT's correspondents around the UK.



Scotland's move to self-determination has been accompanied by the decline of two institutions: the Church of Scotland, and the Sunday Post, the biggest selling newspaper that espouses homely values

atre groups such as 7:24 with its play *The Cheviot, The Stag and The Black Black Oil*.

The more cultural confidence grew, the less artists felt the need to deal directly with Scottish identity. It produced a new generation of creators such as Douglas Gordon, the Turner prize-winner, and the composer James MacMillan. It made Scotland a world leader for style bars and dance music. It spread to medicine and scientific discovery. Dolly the Sheep was cloned near Edinburgh.

Some see all this as a reprise of the 18th century Enlightenment. "What's happening now is not a million miles from that," says Janice Kirkpatrick, director of the Glasgow design consultancy Graven Images. There seems no end to the rise of Caledonian cool. No longer is Sean Connery the only bankable Connery in Hollywood; rising stars include Ewan McGregor, soon to play the young Obi-Wan Kenobi in the new *Star Wars*

newspaper. Nairn did not choose an external target, such as the English, or even land-owners and capitalists: his point was that Scotland was not colonised, but self-colonised.

On one level, his vision has proved prescient. Scotland's move to self-determination has been accompanied by the decline of both institutions: the Church of Scotland, known as the Kirk, had 660,000 communicant members by 1997, half the level of 60 years before, while the Sunday Post's circulation has halved to 740,000 in little more than a decade.

What he failed to forecast was the radicalisation of the Kirk. The Kirk, along with other mainstream Christian churches, has played a big part in the fight for devolution. The Church of Scotland Assembly Hall in Edinburgh will house the new parliament until its new building near Holyrood Palace, designed by Catalan architect Enric

nations. Globalisation means they enjoy the same food and drink, watch the same films and buy the same cars as other people. Ironically, it has brought them closer in behaviour patterns to the English, which is one reason for the energetic search for differences.

The kilt, for instance, is enjoying a renaissance. Banned after the 1745 highland rebellion, it became a Unionist and lowland cult when popularised by Sir Walter Scott in the 19th century. It fell into contempt among young Scots by the 1980s, along with other insignia of Tory tartanry, but has made a comeback as a national icon - often worn with a T-shirt and Dr Martens boots.

Alan Clements and his wife Kirsty Wark, the Newsnight presenter, face the identity issue more than most. Their television production company, Wark Clements, makes programmes for Scotland and the UK network.

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BODY AND MIND

# Screen test positive for prostate

Victoria Griffith explains why it is important for men to understand this common but confusing cancer

Prostate cancer is a confusing disease. Treatment must be tailored to each individual case, and it can be difficult for patients to understand which course of action is the best. The good news is that most sufferers survive.

While the disease is extremely common, some studies have shown that 60 to 70 per cent of men over the age of 80 have it - most of those afflicted die of other causes. Yet it can be very dangerous. Last year, about 40,000 men died from the disease in the US, where it is the second most common cause of cancer death (after lung cancer).

Because cancer that spreads outside the prostate gland is difficult to cure, it's important to catch the disease early. Annual checks are advisable for all men over 50, and over 40 if they are at high risk - such as a family history of prostate, or even breast, cancer.

African-Americans are significantly more likely to die from the disease than whites, although no one knows why. Men living in south-eastern parts of the US are also at higher risk, perhaps because of the lack of selenium in local water supplies. A vitamin E supplement in the diet can reduce the chance of developing the disease by 32 per cent, and of dying from it by 42 per

cent. There is also some evidence that selenium and lycopene - a nutritional substance common in tomatoes - high soy intake and a low-fat diet may help.

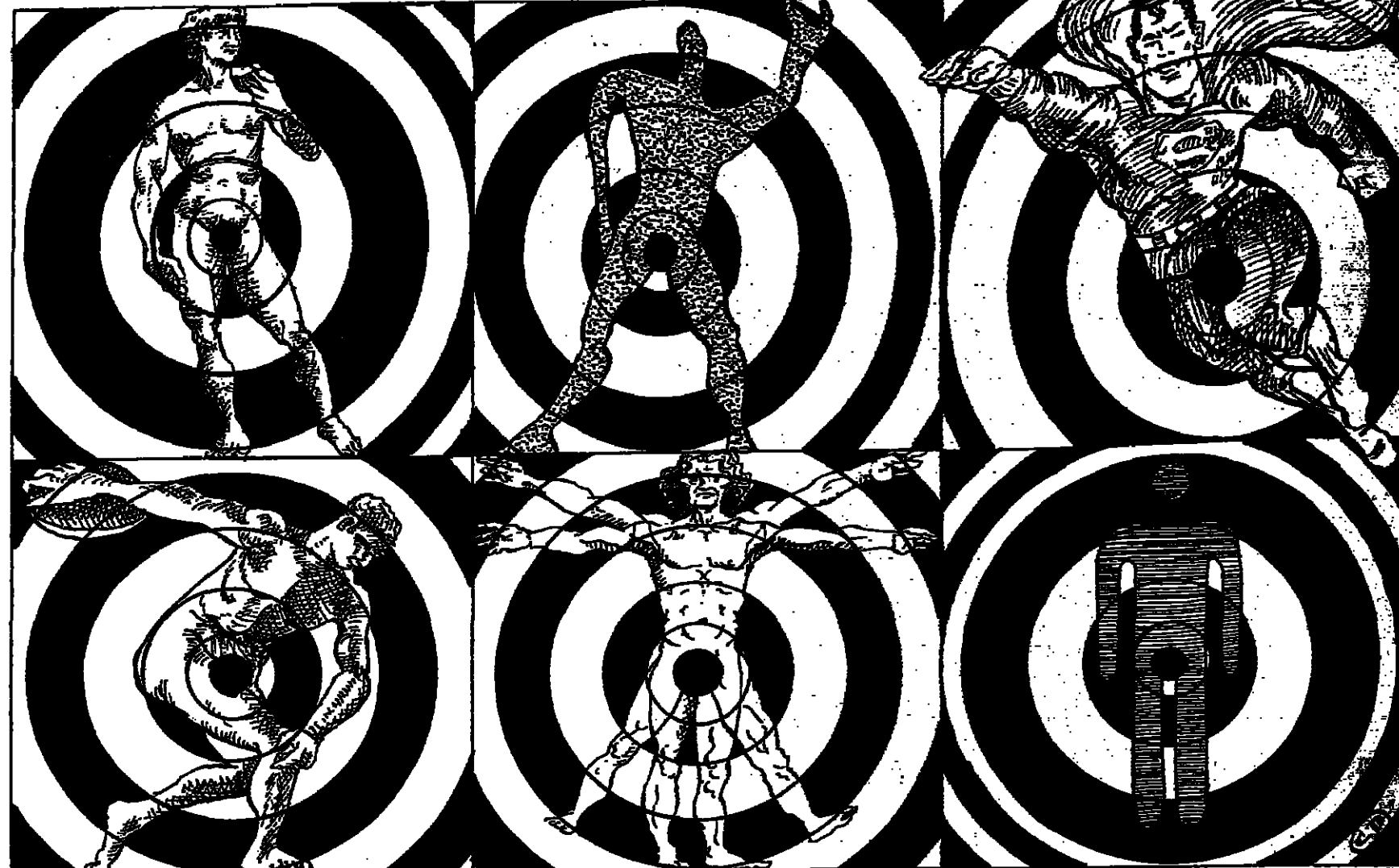
Once prostate cancer has been diagnosed, it's important to remember that every case is different. Some cancers are very mild and slow-growing; others are severe and extremely aggressive. They may be localised and confined to the prostate, or may spread to other parts of the body, in which case the amount of spread becomes a critical factor.

The most important measures of the disease's progress are PSA and Gleason scores. PSA measures the amount of a protein called prostate-specific antigen in the blood. Because this protein is produced by prostate cancer cells, its level indicates severity. As a general rule, PSAs above 10 are considered advanced.

Gleason scores, based on a biopsy, may be even more helpful. A number below seven usually means it is safe to opt for less aggressive treatment. Higher scores indicate the patient is at higher risk.

These numbers, however, are by no means infallible. "I had a patient recently who had a PSA of 4.4 and a small bump on his prostate," says Oliver Sartor, of the Louisiana State University Medical Centre, New Orleans.

"Theoretically, that meant the patient was at low risk, and should have done just fine after surgery. But, during surgery, we found that the disease had spread beyond the prostate, and his



prognosis now looks much worse."

Once a patient has some indication of the state of his cancer, he must choose between a number of treatments:

□ **Surgery.** Surgical options include removal of one or both testicles, removal of the prostate gland, and the freezing of cancer cells. Taking out the prostate is still considered by many the gold standard for treatment. It is highly effective, but will probably not suffice if the cancer has spread beyond it. Yet side-effects can be severe.

"Some physicians will give an optimistic prognosis, citing evidence that 80 per cent maintain sexual function after surgery," says Charles Myers, of the cancer centre at the University of Virginia, Charlottesville. "In truth, no better than 50 per cent are truly active." Urinary inconti-

nence is another disadvantage.

□ **Radiation.** This is usually used to combat prostate cancer that has not spread outside the gland. Side-effects are generally severe and include impotence, diarrhoea, vomiting and pain in ur-

prevalent. Up to 90 per cent of radioactive seed recipients remain sexually active after treatment. For less aggressive prostate cancers, there is also strong evidence that seeds may be just as effective as surgery.

prostate cancer thrives on testosterone, hormonal treatments to lower its level in the body are sometimes used in treatment - usually for advanced prostate cancers. It may be combined with other treatments, such as radiation or surgery. During treatment, sexual function suffers substantially, although impotence will probably disappear once the therapy is discontinued.

□ **Wait and see.** Sometimes, the best option may be to do nothing. Age is a key factor. An 80-year-old patient with a mild, slowly progressing cancer might not be severely affected by the disease until he becomes a centenarian. Because the odds of his reaching that age are slim, simply keeping an eye on the disease may be best.

□ **Experimental treatments.** If all else fails, or if the diagnosis is particularly grim, patients may

wish to become involved with clinical trials for non-approved treatments. These include vaccines aimed at inducing the body's own immune system to attack the cancer, and techniques to shrink tumours by choking their blood supply.

The most important thing to remember when reviewing these options is that every patient, and every cancer, is different. "This is not the sort of disease you want to get advice from friends about," says Myers. "What worked well for one person may be a disaster for another. The diagnosis and options can be confusing, but it's worth taking the time to understand your own particular case."

For more information send two 1st class stamps to the registered charity: Prostate Help Association, Langworth, Lincoln LN5 5DF; fax: 01522-753255.

**'What works well for one person may be a disaster for another. Diagnosis can be confusing, but it's worth taking time to understand your own case'**

nation. A new version of this treatment contains radiation to the shape of the tumour, and may cause fewer side-effects.

□ **Radioactive seed therapy.** This treatment, until recently considered experimental, involves placing time-release radioactive seeds in specific areas of the prostate, and is starting to become more

For victims of advanced cancers, however, this is not a reasonable option. "I'd never recommend seed therapy to a patient with a PSA over 10 and a Gleason over six," says Anthony D'Amico, a leading prostate cancer expert at the Dana Farber Cancer Institute, in Boston.

□ **Hormonal treatment.** Because

## Darwin cuts through the thin competition

Anorexia and bulimia are not disorders of eating but disorders of female sexual strategy, argues Riyadh Abed

Eating disorders were unknown in their present form before the 19th century. Anorexia nervosa was first described in the 1840s but remained a rare medical curiosity until well into the 20th century. Bulimia nervosa was not described until 1979 but has since become perhaps the most common type of eating disorder encountered in clinical practice.

Eating disorders primarily affect females during their reproductive years and they decline sharply as women approach the menopause. They are prevalent in western and westernised societies and are rare or almost non-existent elsewhere.

Given these intriguing features, eating disorders have been fertile ground for theories of all kinds. The dominant trend has been what can loosely be called the socio-cultural school of thought. This theoretical tradition is based on the standard social science model that tends to ignore human biology. It considers that human behaviour is entirely "culturally determined" and that human nature is therefore "endlessly malleable".

Many assumptions of the social science model have been shown to be erroneous. We now know that a complex interaction occurs between pre-existing biological tendencies and prevailing environmental conditions that leads to specific patterns of behaviour.

By neglecting human biology, socio-cultural theories have employed circular reasoning which states that females strive to attain a standard of thinness somehow set by societies in the west. However, the evidence for this societal norm is gathered primarily from the fact that many women strive to attain it. There is no clue where this standard of thinness has come from or why it continues when other fashion trends are transient.

Evolutionary theory can help us break out of this vicious cycle. Our ancestors lived for thousands of generations as hunter-gatherers in the grasslands of Africa, and many features of this original human environment have left their mark on the human mind and psyche.

Men and women have always had distinct mating strategies because of their different biologies. These strategies are not fixed but are in constant interaction with the prevailing environment. Nevertheless, to ignore these biological tendencies could lead to serious misunderstandings.

Some differences stem from fundamental facts about males and females. For example, a woman can produce a limited number of live births. Furthermore, human females, unusually, stop ovulating at menopause. Therefore, youth and good health

**Young women are having to compete with more and more older women, who strive to look thinner than their years**

have always been the main determinants of a woman's reproductive value and consequently her sexual attractiveness.

In contrast to females, men can father an unlimited number of offspring, given sufficient access to fertile females, and there is no male equivalent to the female menopause. Therefore a man's value as a mate is less easy to evaluate through visual cues.

On the basis of these factors, Darwinian theorists have suggested that women are more reliant than men on physical appearance for attracting mates, as this will give a good indication of their reproductive value. Conversely men rely more on status and earning capacity. Studies of male and female preferences have upheld these assumptions worldwide.

Furthermore, we now know that there is a more or less universal standard of taste among men that relates to the ratio of waist to hip in women. The most attractive ratio is that commonly attained by young women of about 16 to 20 years old - the time when they have the greatest number of fertile years ahead of them.

Females of this age group in the ancestral environment were usually thinner than older women because they had not yet been exposed to the repeated cycles of pregnancy and lactation.

Both men and women compete among themselves for desirable members of the opposite sex; this



is termed intra-sexual competition. The new Darwinian formulation on eating disorders suggests present circumstances that intensify competition between women.

These new conditions include: the rise of older women who are relatively thin and look younger; the increasing instability of long-term relationships; and most importantly the growing indepen-

dence of western women. This increased autonomy has meant that, unlike in traditional societies, women in western societies have to compete for mates largely by their own effort.

As a result, young women are having to compete with more and more older women, who strive to look thinner and younger than their years. This phenomenon has spiralled out of control, prod-

ucing the inexorable drive towards thinness we have noticed in recent years. Eating disorders are its extreme version.

The media may have further intensified this process of "run-away female intra-sexual competition" by printing an endless stream of pictures of thin, young-looking females. Such images of women would have contributed to the process of intra-sexual competition by again raising the level of expectation.

I would therefore argue that anorexia and bulimia are not in fact disorders of eating but disorders of female sexual strategy. This Darwinian theory can account for a number of facts that remain difficult to explain within other theoretical traditions. For example, it may be why eating disorders almost exclusively affect females of reproductive age in contemporary westernised societies.

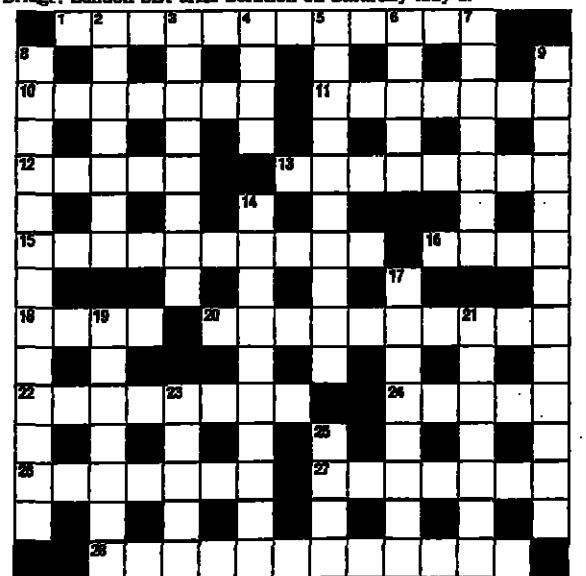
It is too soon to know what affect such a Darwinian formulation could have on future trends for treatment of these disorders. However, as research becomes increasingly guided by a framework that takes into account both biological and environmental factors, one can expect benefits to accrue soon in the form of better treatments.

Dr Riyadh Abed is a consultant psychiatrist at Rotherham General Hospital.

### CROSSWORD

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### ACROSS

- 1 Leggy climber saw 5500, they say (6,8)
- 10 A little bit of greenery to throw away? (7)
- 11 Prince with Anne in the frame? (7)
- 12 Data presenting the Irish punt? (6)
- 13 When queen entertains me she goes first - to convert the pig? (8)
- 15 Most people on the move get in early (10)
- 16 We abandon a garment to burlesque (4)
- 18 A reverse reversed, say (4)
- 20 Quality of busy Lizzy, not of Gilbert and Sullivan (10)
- 22 Draw out into cover - no deal! (8)
- 24 Begin quarrel (3,2)
- 26 Russian girl returning with satisfaction to the devil (7)
- 27 Love-sick, a politician comes to light (3,4)
- 28 Body warmer? On the contrary - and it isn't upright (5,7)

Solution 9,969

ACROSS  
1 LEGGY CLIMBER  
10 LITTLE BIT  
11 PRINCE  
12 DATA  
13 QUEEN  
15 MOST  
16 BURLESQUE  
18 REVERSE  
20 LIZZY  
22 COVER  
24 QUARREL  
26 RUSSIAN  
27 POLITICIAN  
28 BODY

### DOWN

- 2 Where toddlers can safely pretend to write? (7)
- 3 Conservative follows a cover-up with time-wasting (8)
- 4 It sounds the proper procedure (4)
- 5 Musical version of Clare Short (10)
- 6 The poet Blake at school piece (5)
- 7 The veil will keep chatter quiet during vulgar chatter (7)
- 8 Aircraft in the end has a false measure of sound speed (6,7)
- 9 Mutual loyalty, the new strippers' code (6,2,5)
- 14 Hit child - infant - for showing off? (10)
- 17 Take the plunge about rising deprivation and progress? (8)
- 19 Undependable boy about to desert (7)
- 21 Cuckoo shell (7)
- 23 The middle (say) of Eliot's Land (6)
- 25 Exit - and then die? (4)

Solution 9,958

DOWN  
2 TODDLERS  
3 CONSERVATIVE  
4 SOUND  
5 CLARE  
6 BLAKE  
7 VEIL  
8 AIRCRAFT  
9 LOYALTY  
14 CHILD  
17 PLUNGE  
19 UNDEPENDABLE  
21 CUCKOO  
23 MIDDLE  
25 EXIT

### BRIDGE PAUL MENDELSON

Often, the play to trick one is vital, but we do not realise it at the time. Here, the declarer knew the card he chose from dummy could make or break his contract - and this made the decision all the more agonising.

N  
♠ K J 2  
♥ A 7 3  
♦ K 8 2  
♣ J 8 4  
W  
♠ Q 10 8 4 3  
♥ J 5  
♦ 10 9 8 5  
♣ K 7  
E  
♠ A 6  
♥ Q 10 8 6 2  
♦ J 7 4  
♣ 5 5 2  
S  
♠ 9 7 5  
♥ K 9 4  
♦ A Q  
♣ A Q 10 9 3

Dealer: S N/S vulnerable  
North East South West  
ID NB INT NB  
3NT

West leads 4♠. Which spade should dummy play? To solve the problem, distil it to its constituent parts. The contract is easy if the club finesse wins as, whatever you do initially, you have a spade stopper. So, assume that the club finesse is losing. Then, consider the spade distribution: if the

suit divides 4-3, you cannot lose more than three spades and club; if it is 6-1, your opponents cannot establish their suit. The only distribution to concern you is 5-2, so imagine that this is the way it is.

Next, you should envisage some possible layouts of the high cards. If East holds no top honour, you want to play J4 from dummy; if he holds Q4, then K4 from dummy wins and blocks the suit. If East holds A4, then you need to play 24 from dummy to ensure two stoppers in the suit. Which distribution exists?

It is a guess, but there is one final source of information: the auction. Assuming the worst - that West holds K4 and five spades - why did he not overcall 1S?

With 4A♣xxx and K4, surely a 1S overcall would be automatic? At this vulnerability, even 4A10xxx and K4 would probably be enough. If the worst distribution does exist, then East is much more likely to hold A4 than West and, for that reason, playing a low spade from dummy at trick one is the best - and winning - option.

### CHESS LEONARD BARDEN

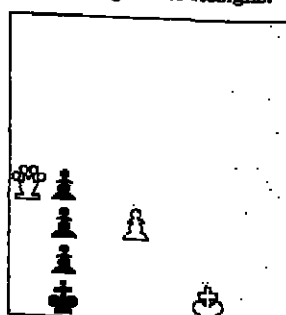
Michael Adams has scored a career-best result at Dos Hermanas Seville, winning first prize with an unbeaten 6/9 at one of the all-time top 10 tournaments. World champion Garry Kasparov stayed away, but in finishing ahead of the other great names Anand, Kramnik and Karpov, Adams revived talk of a British challenger for Kasparov's title. India's world No 2 Vishy Anand, in contrast, failed to win a game.

Adams's opening play was more secure than in his previous event at Linares, probably because of his new coach Peter Wells's expertise in book theory. There are still sceptics who say that the 27-year-old Cornishman lacks a true ambition for the highest title, so Sarajevo next month, where Adams meets another elite field, this time including Kasparov, will be crucial.

The other key event of the summer is the \$3m Fide world knock-out championship, now confirmed to start in Las Vegas on July 28. Adams went very close to winning the last knock-out title contest at Groningen 1997, so this, too, gives him a chance to press his claims to challenge Kasparov (J)

Poigier v M Adams, Seville).

1 e4 e5 2 Nf3 Nc6 3 Bb5 a6 4 Ba4 Nf6 5 0-0 Be7 6 Re1 b5 7 Bb3 0-0 8 c3 d5 9 exd5 Nxd5 10 Nxe5 Nxe5 11 Rxe5 c6 12 g3 Bb6 13 Re1 Qb4 14 g4 Qd3 15 Re4 Qf5 16 Nc2 Qg6 17 Re1 f5 18 Qd3 Kh8 19 Bd1 f4 20 g4 h5 21 h3 Nf6 22 Qe2 hxg4 23 hxg4 Bxg4 24 Re6 Qh5 25 Bxg4 Nf6 26 Rxd5 Ra6 27 Ne4 Nf5 28 f3 Nxd3+ 29 Kf2 Nh4 30 Qh1 g5 31 b4 g4 32 Bh2 g3+ 33 Kg1 Nf3+ 34 Kg2 Nh2 35 c4+ Kg5 36 Qd1 f3+ 37 Kxg2 Qg4+ 38 Kf2 Qh4+ 39 Ke3 Qf4+ 40 Kd4 Qe5+ 41 Ke3 Ng4+ 42 Kd2 Qxb2+ 43 Qc2 Qxal 44 Kg5+ Kh7 45 Rxf4 f2 46 Resigns.



No 1280  
White mates in six moves, against any defence (by L Makaronets, The Problemist 1988). A six-mover sounds hard, but Black has virtually no choice of replies.  
Solution, Page XXII



## PERSPECTIVES

ETHICS TODAY JOE ROGALY

## The trouble with those who lead by following

The visionaries are gone; focus groups now tell politicians what voters want to hear. And only an accumulation of little mistakes can shift those in power



We are in the age of micro-politics. Party labels no longer stand for clear ideologies or sets of values. They have become logos, means of identifying alternative troupes of office-seekers. We do not elect visionaries, but actor-managers; not great thinkers who will try to change the world but good TV performers whom we can rely on to tinker with details.

It was not ever thus. When she was prime minister Margaret Thatcher behaved like an actor-manager with vision. The effect of her ministry was felt where it counts most, inside our heads. There, in our memory-banks, Thatcherism still prevails. Yet it all seems so long ago.

On May 4 she will celebrate the 20th anniversary of her first election victory. Her admirers will doubtless raise a glass to her on that day. The rest of us should

rejoice on November 10, the 10th anniversary of the fall of the Berlin Wall.

We have to admit that these auspicious dates are not unconnected. It would be absurd to credit Lady Thatcher with the collapse of the Soviet Union. That suffocating edifice fell because communism could not produce the goods.

Yet the free-market ideology that has been attached to her name was powerful enough to destroy the old British Labour party in the process of conquering the world.

We know what happened next. People began to say that the victorious Conservatives would be in power forever, that everything would eventually be privatised, including social services.

Funny that. Today the belief is that New Labour holds the key to eternal office, that it is the

Tories who will never get back. History does not support this view now any more than it did the opposite proposition during the years of Thatcherite triumph. We heard its counterpart in 1986, after old Labour won a 100-seat

**Voters want the benefits of the market economy, but they also want certain social services. We want low taxes, but high-quality public education**

majority, a reward from the voters to a collectivist government that had shamelessly bribed them with their own money. Labour lost the next election, in 1979. I seem to recall some people saying, before Bill Clinton came along, that the White House was a Republican preserve.

Ah, but it is different this time.

you say. The Conservatives are a rump. New Labour has stolen all the Thatcher policies, added in a dash of social conscience and thus rendered itself invulnerable. Let us agree that this is so. We are then in trouble. No democ-

crats can serve its citizens well if they are deprived of a reasonable opportunity to dismiss one party in favour of another. There must be a viable choice. It is obvious when one side is pro-capitalist, the other anti.

But what happens when artful actor-politicians tailor their policies to what focus groups tell

them people want to hear? Ask President Clinton. Ask Tony Blair.

We can thus understand why the Conservatives were informed by their leader and deputy leader this week that society cannot live by the rules of the free market alone. It is what market research tells them to say. Lady Thatcher spent our money on public services, but she refrained from bragging about it, even at the fund-raising dinner at which she spoke on Tuesday.

Her successors present a pitiful spectacle. Their motive, to win support for their party by shedding the hard Thatcher image, is transparent. Yet they have grasped an important point. Voters want the benefits of the market economy, but they also want certain social services.

We want low taxes, but high quality public education. We like

what the capitalist cornucopia produces, but many of us feel that not all our needs are best met by corporations. Some of us even regret the growth of inequality since 1979.

Post-Marxist parties everywhere have to wrestle with these contradictory civic demands. New Labour has found one answer: low cunning. It increases taxes, but only in ways it hopes we won't notice. It even redistributes some of its harvest from rich to poor - but again, by stealth.

This is thought to be the way voters like such things to be done. In Britain people want a liberal economy as well as public provision of education, health care and social security. In the US there is no consensus on health, but schools and social security are taxpayer-financed.

For those who lead by follow-

ing, the most difficult line to draw is on regulation. Listen to business, and you regulate lightly if at all. Hear the concerns of consumers and you are tempted to do the opposite. Conservatives everywhere are naturally suspicious of constraints on producers of wealth. So, it would seem, is New Labour - although it would be wise to listen to its public on, for example, genetically modified crops.

It is this kind of issue that will determine the fate of the next political generation. The task for the Conservatives is to make themselves electable by building a picture of how they would manage the existing liberal market. They then have to wait, perhaps for several years, for the Labour administration to pile up an accumulation of errors. Whoever wins will owe the prize to her.

Joe Rogaly is a columnist



Anne Wood: 'I have always been of the opposite persuasion in educational theory to the one that seems to dominate the educational agenda at the moment'

## LUNCH WITH THE FT

## Tinky Winky's handbag pays out

Anne Wood, creator of the Teletubbies, tells Judi Bevan of the long and winding path to her flower-filled meadow

I spotted Anne Wood, the 61-year-old former school-teacher turned entrepreneur who has outraged educationalists with her television programme *Teletubbies*, the moment I walked into the foyer of the Berners Hotel, just north of Oxford Street.

I had never seen a photograph, but the woman in a loose dark denim shirt, dangly earrings and a cap of well-cut white hair sitting amid the central European extravagance had to be her.

The young man opposite her might have been a nephew, but as I edged up closer to eavesdrop I picked up a quietly businesslike tone. Wood, founder of Ragdoll Productions, the television company which produces *Teletubbies*, was having a catch-up meeting with one of her executives and would join me in the restaurant in 10 minutes.

Our lunch had taken three months to arrange because of her hectic work schedule and a holiday in Barbados. Another 10 minutes was not a problem.

In those three months, Wood's persona had become more public. Her wealth, assessed at £55m, had put her among the 500 richest people in Britain, and her success with *Teletubbies*, which holds two-year-olds spellbound in 80 countries, had won her a place on the shortlist for the Veuve Clicquot business woman of the year award.

Wood's claims on such a title are strong and if she is announced as the winner on Thursday, it would cap a dazzling spell in her career.

As I waited, a faint institutional smell of greens drifted up towards the magnificent moulded ceiling of Reflexions, the cavernous restaurant in the Berners Hotel. Although the square tables were set prettily with pale yellow linen, the wordy menu - "Roast skate wing with basil, Pithivier and Sauce Vierge" - filled me with foreboding.

Wood arrived and as we grappled with the menu she admitted she did not suggest the venue from the "food point of view" but a quietness of view - and it is convenient for me.

The head waiter arrived and we ordered. Wood declined a starter, opting for the "Roast fillet of Brill with leek and potato crumble with chervil and tomato compote". She also decided against wine. "I have to stay awake this afternoon."

Colleagues talk in awe of Wood's ferocious energy and obsessive perfectionism but when I asked if she was a workaholic she denied it. "I have as many holidays as anyone. But I am a working class woman from the north-east and if you didn't work you didn't eat." She said briskly. "But when I'm off, I'm off."

The phenomenal success of the *Teletubbies* - the first

television programme designed for toddlers and featuring characters called Dipsy, Tinky Winky, Laa-Laa and Po, who live in an idyllic world with intriguing gadgets to entertain them - has won her worldwide fame and approbrium. Since the programme was launched in the US last year it has also catapulted her into the multi-millionaire league.

Before *Teletubbies* she had earned a reputation for producing quality programmes *Tots TV*, *Brum* and *Rosie and Jim*, all aimed at children from three to five. "I

**New York analysts have predicted that the merchandising frenzy in the US will make profits for her personally of £40m this year**

was doing very nicely making good work for children. Ragdoll made a modest profit, we enjoyed ourselves and I had time to grow tomatoes and do a bit of gardening." She sighed wistfully.

Then it came this invitation from the BBC to tender for a new programme. "She dithered for a while - until then the BBC had never commissioned anything from her. But once persuaded, Wood and Andrew Davenport, a language specialist who writes the scripts, went to work on the first programme devised for the under threes.

But from the moment it took off, *Teletubbies* has been the subject of critical fury. Accusations poured in: the programme failed to develop children's language (since disproven); it was out of touch with the real world; it exploited tiny children through the merchandise; and recently, US television evangelist Jerry Falwell "outed" Tinky Winky as being gay because he is purple (the colour of Gay Pride in the US) and carries a red handbag.

Wood dismissed the critical furor as "all the non-

sense in the press", but I sensed that after a lifetime working in television, often clashing with the establishment, she found it rather pleasing. Had she known it was going to be controversial from the start?

"I thought it might cause some fluttering in a few dovecotes," she smiled. "Because I have always been of the opposite persuasion in educational theory to the one that seems to dominate the educational agenda at the moment."

"I am a constructivist as distinct from a behaviourist. I believe children have

within themselves the potential to be brought out, given enough time and confidence. I believe in a mixture of stimuli - both physical and artistic. I don't believe that you can fill them up with whatever you feel is right and test them at four and six and seven."

The company slogan is "Ragdoll works for children". Wood said all she ever wanted to do was produce programmes that make children laugh or smile. She is concerned about the growing number of children showing signs of stress.

But should children of that age be watching television at all, I asked.

"The fact is, 60 per cent of households have television on the whole time anyway, so how do you stop them?" An edge had crept into her voice. "For many parents television is a way of life, so children will be in front of it whatever - and so we have a responsibility to address the needs of those children."

Where did her fascination with children come from? She seemed unsure. Born in 1937 - her two brothers died as infants - she grew up in a small town in county Durham, sharing a room with her grandmother.

"My parents were very poor. My father was a roadworker, but it was a good home from a love point of view."

A key motivator was a lack of books: "If I had had

as many books as I wanted and gone to university I wouldn't be doing what I am doing."

Instead, she became a schoolteacher, then started a magazine called *Books for Your Children* which won her the Eleanor Farjeon Award. That led to her creating *The Book Tower* television, which won two Bafta prizes. By 1982 she was heading children's television for TV-am where she introduced

Roland Rat. When Bruce Gyngel took charge, he fired her.

This made the success of *Teletubbies* extra sweet: "I was very amused to read in the *Financial Times* that GMTV had lost out to *Teletubbies* in the morning ratings," she laughed. "It's the only time I have been guilty of thinking, 'so there.' She paused to sip her mineral water, her blue eyes flashing.

The shock of leaving

TV-am led her to set up Ragdoll 15 years ago and it staggered along for many years. Until five years ago the bank loan used to set up the company was secured against the family home.

New York analysts have predicted that the merchandising frenzy in the US since *Teletubbies* was launched there last year would make profits for her personally of £40m this year. She shook her head at this but conceded that Ragdoll, in which she holds 55 per cent, had made a lot of money.

"We will make a very healthy profit and I'm very happy about it. It's wonderful not to feel under financial pressure but it brings another set of problems."

So how has she been spending her money?

**'Laa-Laa and Dipsy had the ball and the hat and Tinky Winky got the bag. Little ones love handbags'**

"I have bought an acre and a half of land on the edge of the Cotswolds which I am making into a wild-flower meadow. And there is a house on it which we are doing up."

"I am able to afford to employ people who are experts in wild flowers and that is lovely, that is a treat," she said smiling.

For the rest, she has set up the Ragdoll Foundation, which takes 15 per cent of profits, channelling them into research into children's problems.

Recently, she has been approached to make Ragdoll's first movie for children. All she divulged was that it will feature a Latin American child and be directed by a young Brazilian.

The food had been surprisingly good and we ordered coffee. I drew a deep breath to ask the most sensitive question: was Tinky Winky intended to be gay?

"We needed to give them each something satisfying to play with," she explained.

"As the littlest, Po had the scooter as the most exciting toy. Laa-Laa and Dipsy had the ball and the hat because they suited the performers, and Tinky Winky got the bag because little ones love playing with handbags and it was the last thing. It was a process of elimination."

And what about the American view that *Teletubbies* merchandise exploits the youngest and most vulnerable?

"It's funny," she retorted, "they never say that about Disney."

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## BOOKS

# All change in the money-makers' temple

The switch from partnership to public company will expose the mystery of the most successful investment bank in the US, says Peter Martin

## GOLDMAN SACHS:

### The Culture of Success

by Lisa Endlich  
Little, Brown £18.99, 319 pages

Money is the sacramental ointment of our era. In sufficient quantity, it renders holy even the most mundane activity.

This is the inescapable conclusion to which the reader is driven by Lisa Endlich's history of Wall Street's last big surviving partnership. Goldman Sachs is an interesting firm. The business in which it participates is intriguing. But it is the huge wealth it has generated for its partners in recent years that explains the reverential treatment the firm receives in this book, and in much of the press.

Though Lisa Endlich - who used to work at Goldman Sachs - venerates the firm, she is not blind to its errors. Some of the activities in which the firm has engaged over the years are explicitly criticised. Others - more recent ones - are criticised by implication. But overall, Goldman Sachs is treated as a unique institution, a band of brothers linked by fraternal vows, headed by

far-sighted and selfless leaders.

The firm's cohesive internal culture, as the book's subtitle indicates, is the hero of the tale. Because Goldman Sachs is about to sell a big stake in itself to public shareholders, this culture is about to change. Much of the book is about the debate that has preceded this decision, and the way in which the internal culture is already changing. Anyone interested in this process - which is, indeed, fascinating -

will find the book valuable.

But the space occupied by this issue underlines the book's two big weaknesses. First, there is far too much on recent decades compared with the events of the firm's past. And second, the description of a culture on the verge of change has a nostalgic quality, which overstates the firm's past harmony. "In the old days," said one partner in an internal survey quoted in the book, "when you became a partner, you would feel free to give your wallet to another partner to hold for safekeeping. I do not think it is that way today." Well, he is on the inside, and we are not. But was the past really that idyllic?

Endlich describes the firm's past crises in terms which leave

the reader panting for more. The Goldman Sachs Trading Corporation, an eager participant in the pyramid frenzy which contributed to the Wall Street boom and crash of the late 1920s, is one such episode - which cost the senior partner his job. Goldman Sachs' involvement in the Penn Central collapse of the early 1970s is given even shorter shrift.

By contrast, two crises in Goldman's London office in the 1990s - Goldman Sachs' peculiar relationship with Robert Maxwell and the 1994 trading losses - are described in exhaustive though not always illuminating detail. Similarly, the portrayal of the firm as a place pervaded by a higher calling is a little exaggerated.

After the decision not to take the firm public in 1986, for example, Endlich quotes a partner who described the feeling as "like reaffirming one's vows". "The whole place was uplifted with the rededication," said another partner. The first time this sort of phraseology is used, it's rather touching. By the end of the book, it provokes a mild sense of nausea.

Still, the book is written in a clear and straightforward style, and some of the anecdotes are excellent. In particular, Goldman Sachs partners seem to have a facility with one-liners that would ensure them a career in comedy if things go wrong. Memorable quotes include Gus Levy's description of the firm's objective - "greedy, but

long-term greedy" - and Steve Friedman's argument for the sense of ownership that a partnership provides - "No one ever washes a rental car".

But what is not well explained is the process that took Goldman Sachs from a distinguished also-ran in the mid-1970s to the world's leading investment bank only a decade later. Part of this was the international expansion that Endlich charts well. But most of it was a series of flawless bets on the future direction of the US financial services industry.

It is a curious feature of the transition from partnership to public company that the top managers who made these bets - now mostly retired - will have only a small share of the flood of

wealth that will descend on their successors. Until recently, the capital value of the firm has been held in a sort of faithful trust, passed down from generation to generation. Now it will be realised, once for all, in a transaction that will make some people immensely rich.

This flood of newly created wealth heightens the mystery of Goldman Sachs. But once the shift to public ownership is complete, the mystery will be exposed to public view. No matter how much money the business continues to generate, it will be shared with the public. The sacramental oil will vanish. But, shared with a wider base of investors, it will lack its smothering power. The next book about Goldman Sachs will read a little more like business history, and a little less like religious commentary.

To obtain 'Goldman Sachs' at the special price of £18.99 (free p&p in the UK), ring the FT Bookshop on +44(0)181-324 5511.

# Baghdad blues

Saddam's grip has been strengthened by the west, says David Gardner

## OUT OF THE ASHES:

### The Resurrection of Saddam Huss

by Andrew Cockburn and Patrick Cockburn  
HarperCollins US \$26, 322 pages

For all the ink, policy time and ordinance that has been expended on Saddam Hussein over the past decade, not until now have we had a coherent account of how the Iraqi despot has survived the onslaught of the west, even while his hitherto rich country was being pushed back into a pre-industrial age. This book is it, and it is a painful account.

Patrick Cockburn is a distinguished journalist with 30 years experience in the Middle East, while his Washington-based brother Andrew is an acute and acerbic commentator on US foreign policy. Their skills and knowledge complement each other to produce a seamless, cockpit-to-ground narrative written with pace and verve, researched with rigour, and telling in choice of detail.

The history of western intervention in Iraq, the book makes clear, seems only to have made the country's violent politics more blood-soaked. Britain's quasi-colonial control from 1921 began with the imposition of King Faisal, third son of the Hashemite dynasty from Mecca which produced King Hussein of Jordan, through a rigged referendum which yielded a 96 per cent endorsement - not far short of the 99.96 per cent result Saddam enforced in October 1958 that so excited western scorn. The British immediately faced revolt across this arbitrarily constructed nation-state, from Kurds in the North, Sunni Muslims in the centre and the Shi'ite majority in the South - a rare moment of Iraqi national unity.

The Cockburns' sketch of the past finds eerie echoes in the present. The colonial power withdrew its ground troops and tried to bomb Iraqis into submission. The British used poison gas on

the fractious Kurds and then unleashed Arthur "Bomber" Harris, the architect of the air offensive against Germany two decades later. The Arabs and Kurds, Harris averred in 1924, "now know what real bombing means... they know that within 45 minutes a full-sized village can be practically wiped out and a third of its inhabitants killed or injured."

The Hashemites were eventually massacred in the nationalist coup of 1958. Five years later, another power which wished to influence Iraqi politics at one remove, the US, tipped the balance in favour of Saddam's Ba'ath party in an equally bloody coup against the nationalising government of Abdel-Karim Qassim.

Iraq's huge oil reserves were nationalised anyway.

**Saddam came to believe he could walk on geo-political water, likening himself to Saladin and Nebuchadnezzar**

and under the pan-Arab nationalist Ba'ath, Iraq evolved into the cultural hinterland and industrial powerhouse of the Arab world, satisfying the west through lucrative contracts and commissions. By the time the cunning and ruthless Saddam seized absolute power in 1979 - the year of the Iranian Revolution - all that interested western and Arab governments was whether he would serve as a bulwark against a militant Islamist revival.

Saddam duly invaded Iran, bankrolled by oil-rich Gulf monarchies and armed by the west, and subsequently came to believe he could walk on geo-political water, likening himself to Saladin and Nebuchadnezzar and manufacturing a lineage from the prophet Mohammed. Certainly the tyrant of Baghdad must have registered western and Arab insouciance about his

build-up - and use - of weapons of mass destruction. The Cockburns say state department, CIA and department of energy officials knew that Saudi Arabia was financing Iraq's bomb programme in exchange for eventual payment in nuclear devices, but took no action.

They then reckon that his invasion of tiny oil-rich Kuwait in 1990 was the biggest political miscalculation since Hitler invaded the Soviet Union in 1941. From a per capita income equivalent to the lower levels of the European Union, Iraq, after the Gulf War and subsequent sanctions regime, was reduced to the barely subsistent levels of Mali.

It is well known that fear of opening a gateway to Iran prevented the US-led Gulf War alliance from pressing on to Baghdad to unseat Saddam after it evicted Iraqi forces from Kuwait in 1991. What is less well known is that the chain of casual cock-ups in US policy on Iraq began exactly then.

A month after the war, with Iraq in ferment, US president George Bush called on "the Iraqi military and the Iraqi people" to force Saddam out. The intention - then as now - was to incite another coup. But the phrase the "Iraqi people" was added as an afterthought, and it unleashed insurrections in the Kurdish North and Shi'ite South, where people thought they could count on allied support.

The uprisings reduced Saddam's control to four out of Iraq's 18 provinces, while his army was down to two days' supply of ammunition. If indeed Saddam's miscalculation ranks alongside Hitler's, then this moment certainly merits comparison with the Red Army's deadly pause during the Warsaw uprising - drowned in blood just as these two insurrections were, while the allies stood by, patrolling overhead. The US instead exported the captured arms to Afghanistan, from where their proxy holy warriors against the Soviet infidel have come back to haunt them.

Ever since, Washington has strangled Iraq with sanctions and hoped and plotted for a silver bullet or - in the words of a CIA operative - a "zipless coup" which would take out Saddam. The sanctions have instead strengthened his hold on a starving people with stunted or dying children. And serial CIA schemes have resulted in setbacks which warrant comparison with the 1961 fiasco of the Bay of Pigs US proxy invasion of Cuba.

This book is particularly good on the dysfunctional US policy-makers - who, it says, "knew a great deal about Iraq... [but] very little about Iraqis". It should be obvious that a sanctions regime which places control over food rations in the hands of the state strengthens Saddam's control; or that flirtations with a fragmented opposition tends to force anyone who fears retribution to close ranks behind Saddam.

The message of this book is that Washington is not willing to take action to get rid of Saddam, but instead makes the Iraqi people pay the price of besieging him. One day, it says with bleak accuracy, the bill for that - in accumulated bitterness against the west throughout the Arab world - will come due.

'Out of the Ashes' can be obtained through FT Bookshop +44(0)181 324 5511 or Amazon.com.



Clementina, Lady Hawthornden was half-Scottish, half-Spanish, married an Anglo-Irishman, died at 42. Of her ten children, seven daughters survived to provide haunting models for the astonishing photographs she took from 1857 to 1864: the play of mirrors and subtle light, fabric flimsy and lush, painterly scenes of an indoor, female life. The sumptuous book 'Lady Hawthornden: Studies from Life' (V&A £30, 128 pages) accompanies an exhibition at the Victoria & Albert Museum, London SW7, from April 27.

# It's all in the stars

A.C. Grayling goes in search of extra-terrestrial life

## PROBABILITY 1: Why There Must be Intelligent Life in the Universe

by Amir Aczel  
Little, Brown £17.50, 230 pages

Is there life elsewhere in the universe? Is there intelligent life elsewhere in the universe? Is there intelligent life able, or willing, to attempt communication with worlds beyond its own?

Each of these questions is more specific than the last, and the third becomes more specific still when we restrict its application to our own galaxy, on the grounds that our nearest galactic neighbour, the Great Galaxy at Andromeda, is too far away to concern us: it takes two and a quarter million years for its light to reach us, which means that any messages we receive from it would have long passed their sell-by date - and however interesting the messages might be, replying would be pointless because the return journey would take as long.

But these are good questions nonetheless. There is nothing science-fictional about them. Just how good they are is shown by Amir Aczel in his presentation of the case for saying that it is not merely likely that there is life elsewhere in the universe, but certain. Yes: certain. This bold conclusion is drawn from what we know about the nature of the stars, the chemistry of life, and the mathematics of probability.

The research teams of astronomers at SETI (Search for Extra-Terrestrial Intelligence) concentrate on our own galaxy, and their target is intelligent life-capable of commu-

nicating with us. In this more narrowly specified research there are no certainties, but even so a recent estimate tells us that, again on modest assumptions, there are possibly 10,000 civilisations in our galaxy capable of communicating with us. The late Carl Sagan, doyen of SETI research, more expansively estimated a million such. But Aczel's discussion is not restricted to the same criteria: he is interested in whether there is life of any kind anywhere in the universe beyond our own planet; and it is this question which receives the answer: it is certainly so.

This result is the more surprising for being so conservatively deduced. Suppose we leave aside fanciful possibilities about other life-forms, and ask whether something like life on earth might exist elsewhere. Earth life is based on carbon, requires a certain range of temperatures and

like our sun elsewhere in space.

Boosted by the recent discovery of a number of planets circling other stars, astronomers infer from the way stars form that at least half of all stars are accompanied by planets. This is because stars form by coalescing from clouds of gas and dust created either in the initial Big Bang or, more recently, by the supernovae of earlier stars. Their gravitational fields keep the remaining dust circling them, with minor conglomeration occurring to form "planetesimals", which then clump into planets proper.

Only a planet of a certain size and distance from its star could provide earth-like conditions for life; but there are millions of billions of stars in the universe, and even if only a fraction of them have planets, the likelihood that there will be very many similar to ours is exceedingly high. Given that we know, as a result of analysing the spectral lines of light emitted by stars, that the chemicals necessary for earth-like life are abundant in the universe, it follows that the probability of there being extra-terrestrial life is so high as to be a virtual certainty. And that is the claim that Aczel wished to substantiate.

The argument is wholly convincing, and Aczel presents it in absorbing style, taking us through the science and mathematics with commendable lucidity. Apart from other considerations, the certainty that there is life elsewhere in the universe boosts the plausibility of the claim that there could be thousands of intelligent civilisations in our own galaxy. In view of the fact that any civilisation which has survived its own advance into space communications is more likely to be peaceful and wise than not, we have much to gain from establishing contact with them. More power to SETI.

# No poetic licence

## HOPE AGAINST HOPE

by Nadezhda Mandelstam  
Harvill £12, 423 pages

When the poet Osip Mandelstam was sentenced to five years' hard labour by the Soviet authorities in 1938, his wife, Nadezhda, knew that he would not survive the ordeal. Towards the end of this harrowing account of their life together she even confesses to relief at being told of his death. The manner in which she was informed illustrates the brutality of the system that disposed of him. A post office official handed back a parcel which Nadezhda had sent to her husband, saying bluntly, "The addressee is dead."

Mandelstam was one of the quartet of great Russian poets who emerged in the first two decades of the century, the others being Anna Akhmatova, Boris Pasternak and Marina Tsvetayeva. Like many writers of his generation, he initially expressed optimism at the outbreak of the Revolution, seeing it as an opportunity for social justice and the "rationalisation of life". Over the

**Nadezhda began writing this memoir primarily to record the horrors of a regime designed to destroy not only people but 'the very intellect itself'**

next decade, as the full magnitude of Stalin's paranoia became apparent, his hopes were smashed. Yet throughout the period of despair which Mandelstam endured, he refused to go abroad, even when offered the chance by his friend Bukharin. Instead, in 1939 on a visit to Armenia, his creative imagination was rekindled, and he assumed "the voice of a witness".

His poem about Stalin, in which he described the dictator as a "Khrushchev mountain" with "cockroach whiskers", led inevitably to his arrest, and from then on he and Nadezhda suffered a living hell of surveillance, harassment and deprivation. Miraculously, he was reprieved from the ultimate sanction when Stalin telephoned his friend, Boris Pasternak, and asked, "Is Mandelstam a genius?"

Nadezhda (which means "hope" in Russian), began writing this first volume of her memoir in 1964, primarily to record the horrors of a regime which was designed to destroy not only people but "the very intellect itself". Her account has become a classic of Soviet literature, partly because it affirms the power of the poet to resist the destruction of the imagination, and also because with its meandering narrative and philosophical aspersus it redefined the concept of biography and memoir.

Paradoxically, as Stalin's efforts intensified, the Russian people developed a greater craving for poetry; perhaps because - as Osip said - if they killed people for poetry, then they must fear and respect it. In the last pages we hear of other prisoners in the camp where Mandelstam ended up recalling a babbling, emaciated figure reciting poetry to an audience of thieves and murderers.

Nadezhda Mandelstam emerges as a figure of courage and integrity. Seamus Heaney described her as a "guerrilla of the imagination, devoted to the cause of poetry and to the preservation of her husband's achievement". She was capable of great wisdom, too. She derives no moral lesson from the Gulag, other than to insist that everybody is a victim, "not only those who die, but also the killers, ideologists, accomplices and sycophants who close their eyes or wash their hands". *Hope Against Hope* is a celebration of the poet's power to protest against that dehumanisation and of the strength of the human spirit. It is, as Osip Mandelstam said, only "silence which is the real crime of humanity".

Daniel Britten

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BOOKS

# Goodbye to all that

Will Labour's 'New Britishness' hasten Scottish devolution? asks John Lloyd

**NOR SHALL MY SWORD:**  
**The Reinvention of England**  
by Simon Heffer  
Weidenfeld & Nicolson £12.99, 133 pages

**ENGLISH IMAGINARIES:**  
**Six Studies in Anglo-British Modernity**  
by Kevin Davey  
Lawrence & Wishart £12.99, 202 pages

The most important part of Simon Heffer's book is a claim that the loss - better, the "loss" - of Scotland would allow the English to take a tax cut of 4p in the pound. An individual or a family in England, on a median income, could put by some £1000 a year to help solve the pain of the Scots' excision. Put another way, would you (Englishman or Englishwoman) pay £1000 to keep the Scots in Britain? Or would you muddle through with your 50m compatriots, leaving five million Scots to disappear, whingeing, into the Celtic mists?

A second point is almost as important: it is that the creation of a Scots parliament, on which Scots will vote in 10 days' time, will help destroy the Union. Since Heffer's prose is pleasurable, it is a pity that he does not explain this himself. "The very activities of the Scottish parliament would be a forcible, continuing reminder to the English that they had never been asked about whether they were happy to pay such a large subsidy to a country that had succeeded in extracting a substantial measure of independence from them... removing this imbalance means either ending devolution or ending the Union."

There is not, in fact, very much more to *Nor Shall My Sword*. It is a magazine article padded out to be an essay dressed up as a book - with a vastly inflated title. But these, and one or two other observations, are - if not original - certainly to the point. Devolution has come upon the

English as a thief in the night; or rather, it has come upon them to illuminate the fact that, in the long period of indifference with which they have treated the Union, Scots raiders have been busy carting English tax-payers' loot over the border, sending too many MPs to Westminster per head of a declining population, demanding the continuing right to speak on English matters while denying the English the right to speak on Scots ones and taking three of the four traditional great offices of state (foreign and home secretarieships plus the Lord Chancellorship) as well as three other cabinet seats. And now a parliament!

So that the English will not notice, New Labour is striving, belatedly, to give some bottom to New Britishness. Earlier this month, Chancellor Gordon Brown gave tongue to a reflection on British values in which he claimed that Old Britishness had become unpopular because the institutions which underpinned it were unreformed. This new civic Britishness would be based on modernised institutions, yet adhere to traditional values: "tolerance, fairness, a belief in enterprise and hard work and an outward-looking approach to the world."

These values are, of course, remarkably close to the campaigning image of New Labour; and even if they have the virtue of being hostile to the Powellian themes of racial essentialism, under which Britishness was at best grudgingly given to those who supported the West Indies or Pakistan during a test match, they still duck the Scottish question. The conventional Scots question is - will the Scots vote, at some point in the near future, for independence? Heffer assumes they will; indeed, he interprets Labour's popularity in Scotland as being due largely, even wholly, to that party's promise of devolution. Once that is achieved, the Scots "could then switch allegiance to a party which promised not just devolution... but full blown separatism". This is to assume an ethnic predisposition, or national fixity of purpose, which does not exist. Nationalism and Unionism constitute live poles of the debate in Scotland and - except in

cases of exceptional opinion polling - Unionism still wins. However, he is right that there is a question beyond that: have the Scots so damaged the Union by their demands for special treatment without considering what effect its granting would have on the dominant English, that they must now experience a backlash? Will England conclude - as he wishes it to conclude - that without the Scots, it could be richer and more self-confident? That the Union is, or should be, over - from the English point of view?

Heffer inhabits a different political world from mine. In little asides - as when he alludes to "the growing intensity of national decline", or claims that the EU has an "enduring project to obliterate national consciousness" - he seems to reveal a cast of mind of melancholic reaction,

avant-garde publisher and writer Nancy Cunard and others - and tracing in them a reaction against Englishness (or Britishness). This reaction was usually because they saw it as racist, or mired in ancient imperial rituals, or closed-minded and philistine.

Cunard of the shipping family, saw the English ruling class of which she was a member as emanating a "stultifying hypocrisy"; for Priestley, writing in the 1930s, "we are not a democracy, but a plutocracy roughly disguised as an aristocracy"; Pete Townshend told an American interviewer in 1968 that "England has got all the bad points of Nazi Germany".

Davey's weakness is that he seems to accept all this at face value, and that he tends to believe that states of affairs come about because of conspiracies at the top. In a discussion of Townshend's milieu, he says, "After the first panic, Anglo Britain adjusted to rock and roll. The domestic music industry Anglicised the formula, muting its eroticism and hedonism." This is implicitly to conceive of the "domestic music industry" consciously and purposefully diluting a message - according to autonomous agency to the audience, whose tastes and demands were changing rapidly and who enforced corresponding changes on the music with which they were served.

He touches, though, on themes of subjection and discrimination which underlie the established culture and which are generally unacknowledged by it. The book does not do what it claims; it does not show us how to "live with difference" through the attempts of his six chosen characters to find an alternative national pact.

Yet where Heffer hammers relentlessly at a few thoughts, Davey spins off a cascade of ideas, in many cases half worked-through but often worth considering, some of which merit more serious reflection than he gives them. Relatively speaking, the English have not been too bad at living with difference; but they will have to live with a lot more soon, and it would be good to have better guidelines for what we might expect of them, or they of themselves.

**While the English remained indifferent to the Union, Scots raiders have been busy carting tax-payers' loot over the border**

held in civilised check but nevertheless available for a much more savagely dystopian view of the present than the one he gives in an essay limited to a narrow theme. But for all the superfluities of the prose required to make his point a book, he is correct on the point. There is an English question; and if he is asking it, others can too.

Kevin Davey's book is another world away from Heffer's. It is cultural criticism at the service of a project to reveal Englishness to England; to prove that England must become (as he puts it, following the philosopher Julia Kristeva) "a nation of strangers" in order to escape from the myths about itself which make it familiar to its citizens.

He does this by taking six figures - the writer J.B. Priestley, the rock star Pete Townshend, the designer Vivienne Westwood, the

still defined an intellectual as "someone who wants ideas to be as interesting as possible". That word again. "What seems to me," Collini concludes, "to have been the most consistently admirable and distinctive thing about his writing has been its engaging and resourceful campaign to prevent intellectually from conquering and laying waste lands that are properly the territory of emotional or aesthetic or other human needs."

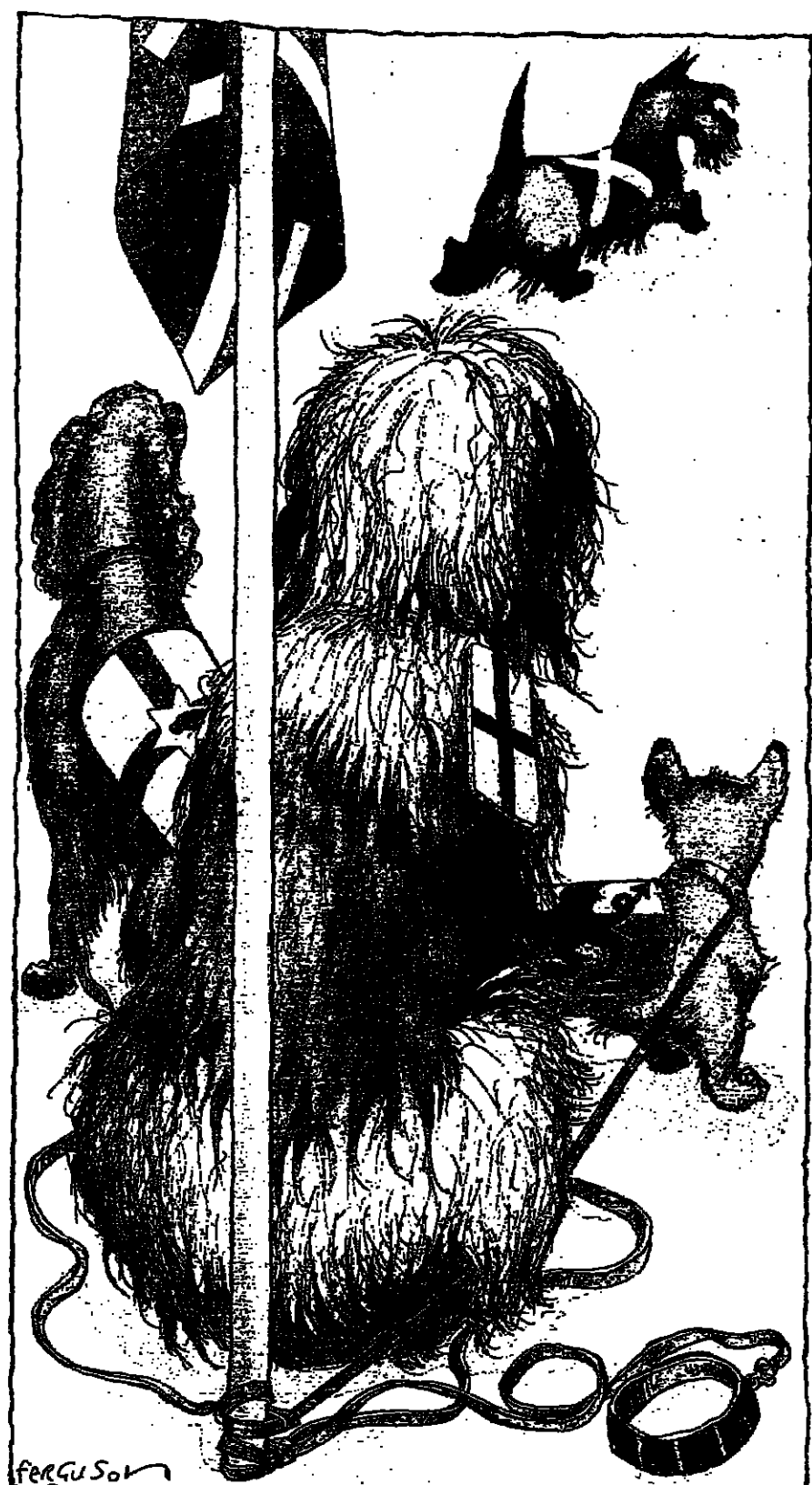
A similar ambition lies behind much of this book. Anthony Trollope, to whom Collini does perhaps less than justice, once remarked that dullness was the "line" of the English, and cleverness that of the French; woe to his countrymen, he added ironically, if they ever lost sight of this salient fact. In *English Past* Collini not only explores the background of this cliché, but shows the services to which - for better or worse - it is still put.

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When Stefan Collini published a vitriolic attack 10 years ago on the academic bureaucrats' fashion for "quantifying" research in the humanities (evaluation by counting pages, frequency of citation in other peoples' footnotes, etc), he was overwhelmed by a flood of letters expressing "delight". It is a fair bet that this was occasioned not only by the fellow-feeling of beleaguered dons, but by sheer pleasure in the spruikery with which he attacked the subject.

Collini himself transcends the usual boundaries from his commanding vantage in the Cambridge English Faculty, but he is best described as an "intellectual historian" - in both senses of the phrase. And what he writes best about is intellectual imposture, which he skewers again and again in the pages of this coruscating collection.

The word "intellectual", a traditional object of suspicion in England, is awarded here the close attention it deserves. Collini has a clear idea of what an intellectual's calling entails: significantly, some of his sharpest barbs are reserved for John Carey's "irreparably shoddy"

## No intellectuals please - we're British

Roy Foster assesses a coruscating collection that skewers imposters and exposes evasive flannel

**ENGLISH PASTS:**  
**Essays in History and Culture**  
by Stefan Collini  
OUP £40/£3.99, 360 pages

book *The Intellectuals and the Masses*, which was devoted to proving, à la Paul Johnson, and at the expense of recognising context or irony, what untrustworthy chaps those intellectuals are - an exercise that involved, *inter alia*, grouping Hitler with T.S. Eliot and George Steiner. "Anti-intellectualism has always been available on tap at the saloon bar," Collini adds, "but it is sad to find a professor of English who is so desperately keen to buy his round."

He is equally stringent about Gertrude Himmelfarb's bizarre use of crime and divorce statistics in *The De-moralisation of Society* in an effort to rehabilitate sup-

posed "Victorian virtues": again, short weight is being given, and a job is being shirked. But Collini's idea of the intellectual's function is not "highbrow" in the pejorative sense that comes so readily to the more blimpy side of criticism in this country. He regrettably compares the prevailing attitude towards the general reader to that aroused by the neighbourhood cat: its existence evokes sympathy, but we're certainly not going to provide for it ourselves.

However, he is dead against "academic" being taken to equal "unreadable", and while he wants to decode ideas in their historical contexts, he approaches his subjects with an eager attention to their humanity. Look no further than his discussion of sex in Bertrand Russell's first marriage. "Alys seemed to think they might on the whole manage not to have much of it," Russell, by contrast,

regarded it as A Good Idea, though he prospectively referred to the experience in the kind of it-would-be-good-to-do-it-once-to-know-what-it-felt-like terms most people would reserve for experimenting with a new drug or making a parachute jump. He didn't really begin to discover the force and requirements of his sexuality until

ested in appositions and reputations. Russell is considered along with Darwin (in terms of youthful promise and adult achievement); Trollope accompanies George Eliot; Raymond Williams squares up to Richard Hoggart and, most excitingly, the historians Lewis Namier and Elie Halévy partner each other

**Collini's idea of the intellectual's function is not 'highbrow' in the pejorative sense**

he was almost 40 (and of course some of his subsequent behaviour had the unmistakable stamp of someone trying to make up for lost time). Collini is also unafraid to categorise Russell's paternal grandmother as "a joyless and obstinate old bitch". If this is intellectual history as it should be written, let us have more of it. Most of all, Collini is inter-

in "idealising England". In this essay, as in a long consideration of Isaiah Berlin, Collini attends to the appeal of England and a notion of "Englishness" for outsiders - especially exiled Jews, like Namier and Berlin. Namier is exactly Collini's kind of aphorist ("Marx! Marx! A typical Jewish half-charlatan who got hold of quite a good idea and then ran it to death just to spite

the Gentiles") but he also appears as a quintessential intellectual in political notability regarding his Zionist activities. Finally, he "created a significant role for himself as an intellectual largely by writing about the history of a country he admired for not having intellectuals."

This lays bare several layers of misapprehension, an operation at which Collini excels. He repeats Halévy's ironic description of the Edwardian era as "that great epoch during which the British people cherished the splendid illusion that they had discovered in a moderate liberty, and not for themselves alone but for every nation that would have the wisdom to follow their example, the secret of moral and of political stability."

The way the English conceive of themselves, and the intellectual (or non-intellectual, or anti-intellectual) stratagems whereby they disseminate their concep-

lush and luscious, and that way lies temptation and the possibility of corruption. The poet, ever watchful, must rise above the dangers of self-regard and solipsism. It is the world that must be engaged with, through honest and honest language, and not the self alone. And what is the significance of that title, *Midnight Suburbs*? This sequence of poems, the longest in the collection, is a prolonged act of self-questioning: reflecting back upon her own life. Rich probes her decisions, her expectations, her revolutionary impulses as a poet, past and present. To what extent has she remained true to herself? And can anything of beauty be salvaged from the world at this late, critical hour? Will mere poetry suffice to be her testament? Only readers can answer that question.

Michael Glover

## Rambling in Iceland

Tim Moore, a suburban thirty-something magazine writer, stumbled across the account of a Victorian journey by Lord Dufferin, a scion of the Guinness family, and decided to retrace his steps across Iceland, Norway and the Arctic sea to Jan Mayen and Spitzbergen. Why Moore thought this was a good idea is a mystery - not least to Moore himself, who

seems to loathe all methods of transport.

It takes time to warm to Moore as we follow him on his footstepping of Lord Dufferin. The trip, and hence the book, *From my Mountaineer* (Abacus £10.99, 280 pages), seems a pointless, distasteful thing to do. He takes a while to get into his jolly, chatty style of writing and in a few places it seems rather forced - the kind of thing, perhaps, that sounds funny if you're a bit drunk at a dinner party but to the sober listener just sounds like the ramblings of a self-important prat who thinks he's being witty.

However, my sympathy for him rose dramatically as his journey - naively subtitled "The Arctic Exploits of a Lord and a Louder" - progressed. "Boats, I concluded, were shit," he merrily remarks at one point. As he buckets towards Iceland on a container ship, Moore provides modern travel literature with what must be one of the most vivid and heartfelt descriptions of seasickness ever written. Only the most hard-hearted could fail to be sympathetic.

Indeed, it is his description of the miseries of his journey that eventually makes him less annoying. After his arrival in Reykjavik, he sets off to cycle across the volcanic interior with Dilli, his Icelandic brother-in-law, an expedition his wife has dubbed "Beavis and Butthead to Iceland". Given that the preparations for this leg of the journey involve buying five packets of dried fruit, two bars of chocolate and a

pair of cycling shorts, you see what she means. The bike trip itself throws up such horrors as an outside loo at a hostel that has Dilli, a doctor, returning with a haunted look. "That is worse," he said vacantly, "than anything I said in seven years of medical training."

This first part of the book, in Iceland, is the best. Moore knows the country, being married to an Icelandic, and thus allows himself many disparaging remarks about the place. The rest of the book - like the rest of the journey - feels rather makeweight. That's not to say it doesn't have its very funny moments, but the parallels with Dufferin get more strained, and the expedition seems more pointless.

Moore's attempt to get to Jan Mayen, a volcanic outcrop north of Iceland, is stymied by the weather; while Spitzbergen, even further north and more Godforsaken, results in a few rambling chapters that reflect how tedious Moore found his time there. He seems to have spent the 10 days whingeing about the cost of the booze, going on ill-advised expeditions, and worrying about polar bears.

Nonetheless, the book is funny enough to provoke audible chuckles, and a nice addition to the Grumpy British Traveller sub-genre of travel writing. The title, incidentally, is explained in one of the funnier passages: it refers to a joke so obscure and obscene that it doesn't bear repetition.

Kate Devan

### IN BRIEF

## Language as a weapon in the struggle for justice

When W.H. Auden plucked the young American poet Adrienne Rich from obscurity in 1951 by choosing her first collection of poems for the Yale Younger Poets series, he did so with paternalistic condescension. And yet his praise of her modest skills as a formalist were not too wide of the mark in those days.

What is remarkable about her, and it is much in evidence in *Midnight Suburbs* (Norton £14.95, 75 pages), this 17th collection published in the year of her 70th birthday, is the distance that she has travelled since that time - into one of America's most passionately committed poetic voices.

But committed to what exactly? To the idea that poetry at its most exacting must be a comprehensive engagement with the world in order "to face the terrible with hope, in language as complex as necessary, as communicative as possible - a poetics which can work as antidote to complacency, self-involvement, and despair."

For this poet, language is a

weapon in the endless struggle towards justice, self-knowledge and public enlightenment, and not, as for so many others, a means of withdrawing from the world into lofty moods of meditative reverie. The poems themselves, metrically loose-limbed, taking as their defining measure Charles Olson's notion that a line should be as long as a human breath, are spoken in a patchwork of clamorous voices, and they incorporate, as so often before, material from books, newspapers and journals.

Some of the lives imaginatively re-enacted here are, in Rich's opinion, exemplary ones: René Char, for example, the French poet and resistance fighter, whose life represented a model of tact combined with social conscience: "you were never just the poet appalled and transfixed by war you were the maker of terrible delicate decisions..."

For Rich, this temptation to be seduced by the actual, the visual, is an ever-present danger. Language, for any writer, can be



## ARTS



This is a museum in which exhibits may feel superfluous; it tells an unforgettable story all by itself. Daniel Libeskind and the exterior of his Jewish Museum in Berlin

Montage by Phil Thompson

# Cathedrals for our times

Museums are behind the most stunningly innovative new buildings today. Ralph Rugoff meets Daniel Libeskind, architect of Berlin's Jewish Museum

Over the last decade museums have emerged as the cultural sex object of the late 20th century. Boasting high-profile programmes and the broad appeal of sporting events, they have reinvented themselves as a glamorous mass medium. And the museum building has been a key element in this. It has come to embody our aspirations and history with a verve found nowhere else in contemporary architecture. It is truly the cathedral of our time.

Along with Frank Gehry, Polish-born architect Daniel Libeskind stands at the forefront of this extraordinary resurgence in museum design. His Jewish Museum in Berlin – his first completed commission, incidentally – is one of the most profoundly moving and stunningly imaginative buildings of the century. In unprecipitated fashion, it was opened to the public in late January with nothing in it. Exhibits won't be added for another year. But this is a museum in which exhibits may feel superfluous. It tells an unforgettable story all by itself.

Like Gehry's much-feted Guggenheim Museum in Bilbao, Libeskind's building boasts a unique exterior. Its zinc facade unfolds in a series of crisp angles, zig-zagging across the landscape. Embedded strips of windows race across its reflective surface in a helter-skelter of broken diagonals. A sinking garden of 49 concrete columns, each of which sprouts into an olive tree, tilts at a disconcerting angle. Placed next to the staid 18th-century Berlin Museum, it shines with a high-flying, yet highly disciplined, poetry.

Unlike Gehry's Guggenheim, Libeskind's building is also deeply involved with a specific history – the cultural history of Berlin's Jews – but there is no hint of

memorial to its brazenly innovative appearance. The eccentric lines of its window scheme does invoke a lost past, however: seemingly random, they in fact derive from a map Libeskind made, connecting the addresses of culturally significant individuals, many of them Jews, in pre-war Berlin.

This is a building that asks us to make connections, but the architecture never dictates its themes. Not even in the five concrete "voids" – unheated, dimly-lit, dead-end spaces forming a hollow core along the building's central axis. Several can be entered; others can only be crossed on black bridges linking the exhibition galleries. But the voids themselves will remain empty to commemorate the loss of Berlin's Jewish population, and to initiate, as Libeskind says, "a dialogue between what can be shown in a museum and that which can never be shown. No matter how many objects can be brought together to show Jewish history in Berlin, you can never show that which has been totally annihilated. You won't be able to close that void, not even in 100 years."

But Libeskind, who speaks in a delighted rapid-fire delivery, is quick to point out that he has not designed a memorial. "This museum is not just about mourning, but also shows the incredible ups and downs of Jewish history, and spans both sides of the German/Jewish story. You can't separate one from the other. When you see how incredible their contribution was to Berlin, the need for mourning becomes even more apparent."

Indeed, the Jewish Museum boasts some of the most exhilarating rooms ever unveiled in a contemporary museum. Galleries unfold in exuberantly irregular

configurations, with walls converging at unpredictable angles. The effect is disorienting but never disheartening: one feels lost at times, but there are always escape routes in sight. And the idiosyncratic windows, outlined in black, form an enchanted alphabet of shapes that career from one room into the next, and lay dazzling patterns of light across the floor.

Even the principal void, a concrete tower specifically dedicated to the Holocaust, is not necessarily a space reserved for grief. Unheated, uninsulated, and featuring a soaring pitch-black ceiling, it is lit only by a narrow slit of a

**Sound echoes uncannily. It is a disconcertingly visceral environment, one where you become aware of your heart beating**

skylight. One corner is so acutely angled as to be physically inaccessible. Sound echoes uncannily. It is a disconcertingly visceral environment, one where you become aware of your heart beating. But it does not present objects of mourning, nor tell you how you respond. To some it may evoke the claustrophobic, hopeless spaces of the death camps; to others it may be a place to reflect. Or even, oddly enough, a place of hope.

Libeskind had originally considered having the void completely enclosed, "but in the end," he says, "there is a thin gap of light because even in the bleakest of situations we cannot definitively say that history is over. There is always a line of hope. And that line

of hope is part of my architecture."

In conversation, the 53-year-old architect seems animated by a buoyant optimism, punctuating talk of his future projects – his controversial Spiral building for the Victoria and Albert Museum, and Manchester's Imperial War Museum of the North – with flashes of his 100-watt smile. Both museum buildings are bold, eye-catching statements, instant architectural landmarks on a new frontier. Yet despite the excitement, and fierce protest, which they have aroused, Libeskind does not see himself as an aesthetic radical.

"I was never interested in Modernism," he says. "I prefer the spaces of tradition, spaces which articulate a story and have nothing faceless about them."

His designs for these next two museum projects certainly suggest dramatic conflicts. The Spiral, on which he is collaborating with structural engineer Cecil Balmond, calls for a continuous wall to wrap around itself, overlapping and interlocking as the building ascends in jerky rhythms, as if bearing witness to the intellectual tensions and imaginative leaps that fuel all worthy museum programmes.

"I don't think it's necessary to make a museum only as a container for precious objects," Libeskind says. "I think people want something which is no longer a dogmatic, didactic and artificial presentation, but an experience, a seamless excitement from the moment they enter until they leave. It has to be not just intellectual, but emotional, and it has to appeal to your senses."

His plans for the new War Museum in Manchester aim to do precisely that. To underscore the global nature of modern conflict, the exterior will suggest shards

from a shattered globe, while its vast interior will feature gently undulating floors to keep visitors on their toes during multi-media presentations, some of which will be projected directly onto the ceiling.

Both the Spiral and the War Museum have been designed for a new breed of museum programming: flashy, high-tech displays, often with interactive components, that are meant to hold the attention of generations raised on Nintendo. If not conceived with imagination, however, such programmes can be a recipe for disaster. They may grab our attention without ever reaching our hearts and minds.

So Libeskind's involvement with such projects is a strange match in some ways, as his architecture pays close attention to emotional concerns. His growing practice, however, is no longer limited to museums. His Berlin office has recently won competitions to design a concert hall in Bremen, an urban planning scheme for Berlin, a new University in Guadalajara, and he will soon begin work on his first domestic project, an artist's villa in Majorca.

Each project begins with assiduous research in an attempt to define how the building can respond to a unique set of needs and a distinct location. "Today people want their clothing and their food to be more catered to their specific tastes, and the same is true of buildings. They don't want the mass-produced standard, but something which they can relate to their own desires. I think architecture in the next century will be more tailored to respond to those," Libeskind concludes with an optimistic grin, as if imagining a 21st century of his own design. "In fact, I'm sure of it."

## TELEVISION CHRISTOPHER DUNKLEY

## Up the greasy pole of Balkan politics

There is a moment near the beginning of today's *Correspondent* on BBC2 when it becomes quite difficult not to admire Slobodan Milosevic. We see him in Kosovo addressing a meeting concerned with the supposedly unfair treatment of Serbs by the government of ethnic Albanians. A near riot develops in the street outside, the Serbs begin to stone the mainly Albanian police, and Milosevic, though clearly scared, goes out to try to calm them.

This, it seems, was the key moment in the transformation of Milosevic from Communist *apocryphal* to Serb saviour. Challenged by an emotional old man in the crowd complaining about the way the police treat the Serbs, Milosevic murmurs, clearly spontaneously, "No one should beat you". He repeats this in front of the microphone, and the rest is history. It would take an iron-hearted viewer not to have some small regard for Milosevic when he goes out to face the stones.

Yet it is the only moment in present such feelings in an excellent 50-minute programme. Reporter Phil Rees and producer Frank Smith create a bizarre yet vivid picture of "Sloba and Mira", Milosevic and the childhood sweetheart who became his wife, conveying the clear impression that they are cynical, though fairly simple, political animals with just one aim: power.

Their personal story is weird and alarming. We hear that Milosevic's father, mother and uncle all committed suicide, and that Mira's grandfather ordered the execution of his own daughter, Mira's mother, for betrayal during the second world war. Those who know the complete report that, throughout his life, Milosevic has telephoned Mira as often as eight or nine times a day, the claim being that she was always the real political force. Yet it is also said that he habitually addresses her as his little bunny rabbit or pussy cat, and she regularly bursts into tears during private political conversations.

The strongest elements in the programme are the interviews with people such as Covic, former mayor of Belgrade; Stambolic, a member of the old Communist hierarchy, and the newspaper publisher, Curuvija. All started as colleagues and even friends of Sloba and Mira, but all have found themselves used, abused and betrayed as the couple climbed the greasy pole of Balkan politics. Listening to Curuvija, you think "Surely he can't say things like that and remain in the country?" Sure enough, the programme ends with the revelation that he was murdered just as it was being completed. Television has provided too few good analytical

coverage of events in Yugoslavia. By investigating the personalities of these two people, this admirable programme goes a considerable way towards putting that right.

There are few comparable advantages to the profiles of two other politicians screened tomorrow. *Now We Are Two: The Real Peter Mandelson* on Channel 4 is a highly professional piece of work in which Donald MacIntyre, who has written a biography of Mandelson, investigates his childhood, schooldays, and rise through the Labour Party.

There are interesting revelations. As a teenager Mandelson was no lover of rock music but an Andy Williams fan. He joined the Young Communists and sold the *Morning Star* outside Kilburn tube station. (The programme confronts two

**The programme creates a bizarre yet vivid picture of 'Sloba and Mira'**

teenagers selling the paper there today and reveals the identity of their predecessor, to their consternation). As head of communications in the Labour Party he would phone programme editors to complain about reporters while they were still on the air, and so on. It is not hard to see why some people dislike him so much.

And yet, so far as the essential aspects of his character are concerned, Mandelson remains an enigma. Does he want to be prime minister? What does he feel about being homosexual? Is he a Europhile? What does he really think of the Mandelstams? If MacIntyre knows, he has kept it all for the book.

We learn even fewer fresh facts about Lord Gowrie, who is the last subject of the Channel 4 series *The Establishment*. His description of his relationship with Margaret Thatcher is certainly interesting, especially if it is true. He claims that as her minister for the arts he would attack the great and the good such as Peter Hall when they criticised her, whereupon she would say "Very good, dear" and let him have more money for the arts. It sounds batty enough to be true. But the hint that he blames Jeremy Isaacs for the troubles at the Royal Opera House is not followed up, and the programme has little to say about the Arts Council and lottery money. Personalities may well provide the best gateways into politics for television, but it still needs outstandingly good programme making for even this to be effective.

## Moving drawings

William Kentridge makes cartoons with a difference, writes William Packer

William Kentridge is an artist, principally a draughtsman, whose exhibition now at the Serpentine consists of two continuously-running recent video and animated film pieces, and an anthology of earlier films lasting about half an hour, with only a handful of large drawings in the entrance hall.

This is, in one way, a disappointment. Kentridge, now 44 and one of the most interesting artists to emerge from South Africa in recent years, is a powerful draughtsman in his latter-day Expressionist manner, working for the most part on as large a scale as is practicable for works on paper. His strong and densely-worked narrative drawings have an extraordinary physical presence, and one longs to see more of them for their inherent qualities, at once crude and delicate, simple yet rich, and for the wit and acuity they display of observation and description.

Yet for once I found myself sitting through the run of his films and was glad I did so. I did this before looking at the few drawings, which is I think the right order of things. For the point of Kentridge's work is that

he is indeed a narrative artist, a story-teller above all else, and while his drawings stand well enough by themselves, each one sufficient and resolved within its own terms, they are also the stuff of his work as an animator, made to serve the particular story he wishes to tell. He is also very much the moralist, sometimes obliquely so, sometimes wry and darkly funny, sometimes over-obvious and heavy. We should not forget that he is a South African from Johannesburg, and the 10-year span of his survey of his more recent work embraces dark and dangerous times.

His first degree was in politics and African studies. He took to art, with print-making his major interest, only in the later 1970s. Then in the early 1980s he went to Paris to study mime and theatre, working for a while in film and television production. He returned to drawing as his principal activity in 1986 and it was then that he began to exhibit widely. His work was seen in England for the first time in 1987, at the Vanessa Devereux Gallery in a show called, with somewhat arch significance, *In the Heart of the Beast*. And in 1988 he made



Serious, but oddly entertaining: 'Felix in Exile', 1994 by William Kentridge

his first animated film, *Johannesburg: 2nd City after Paris*, in which he introduced his tycoon character, Soho Eckstein – which, at the Serpentine, is where we come in.

Thus, by the end of the 1980s, all the distinct elements and interests that would form him as an artist had come together, and so they have remained ever since, resolved into a coherent and effective working whole – the graphic understanding and sophistication; the idiosyncratic manner; the theatrical and cinematic narrative model; and above all the modern history of South Africa as the essential subject. We have together

thus the form and the content, the means and the end. What makes his peculiar brand of animation so compelling is that it derives not from any self-conscious search for a readily identifiable and quirky cartoon style, but that it emerged naturally from the body of work that preceded it. The dreadful Soho Eckstein, as an individual character in the narrative, may appear and disappear, but in the manner of the actual statement he remains entirely at one with the rest of the work in its physical aspect, in the way it is done.

And so too it is with the apparent movement that any cartoon film requires. Far

from being an imposed device, it seems to grow from the very process of drawing itself. The image is not repeated as is usual, with shifts of gesture or position caught by marginal alteration, but rather it is added to and then rubbed out, moved and modified on the single sheet. It grows and fades, comes and goes, with the traces of this history left like a ghost upon the page. Nothing could emphasise more effectively the physical, objective presence of the drawing, or the physical nature of drawing itself.

The more recent works, the triple-screen "Ulisse: Echo scan slide bottle", with

its images of desolate streets and motorways, drips and ventilators, surgery and body-parts, and its over-riding sense of returning home to die, and the more actively desperate and sardonic single-screen montage, "Ubu tells the Truth", both of which combine video footage with animation, have a more conventional cartoon quality. But they share the sense of loss, desolation and despair which informs all the work, with its sustained imagery of rapacious business, of toppling tower-blocks, of mines and camps that hark back to the forced-labour and extermination camps of the Nazis, and always the tolling, striving, marching masses.

That said, it sounds bleaker than it is, for it is a measure of Kentridge's judgment and deftness of touch that his work should be so oddly entertaining even as it is so serious. There are moments when it is very funny.

William Kentridge: *The Serpentine Gallery*, Kensington Gardens, London W2, until May 30; sponsored by Investec.

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## OFF-CENTRE

HOME TRUTHS PETER MILLAR

## Uncovering the lost faculty for scholarly pursuit

It's not just youth that is wasted on the young; university is too. I speak from experience. Sitting in the 18th century splendour of the Radcliffe Camera library in Oxford with dusk falling and the gas lights coming on in one of the most beautiful squares in Europe, I was struck by a single thought: why hadn't I done this years ago?

The answer was simple: at the time I was too busy being a student to have time to study, let alone appreciate the simple pleasures of scholarship - even the dilettante sort that has occupied me of late.

It was an academic friend, one of those who spends a lifetime endlessly wondering whether to go out and see the real world, blissfully unaware of how distasteful it is, who first made the suggestion. I needed to find out about the Black Death for a novel.

Why not do the research at the Bodleian? The thought hadn't crossed my mind since the day, long ago, when I had queued up in "subfusc", the arcane Oxbridge uniform of dark suit,

white tie and gown, to take the oath that I would not "kindle fire" within Sir Thomas Bodley's library.

And there, to make the point, in that magnificent golden stone quadrangle, was Bodley himself staring down sternly in bronze effigy and puffed-up late 16th century pantaloons. That was the first and last time Bodley and I had been acquainted.

But the point was I had taken the oath. It would be in the records. During my three undergraduate years I regarded libraries with little more than healthy suspicion. As a student of modern languages, the main faculty library was the Taylorian, austere and unwelcoming.

The college library was more convenient. Most of the time, I bought my texts, Balzac and Bandelaire, in editions de poche from Blackwell's. Gogol and

Dostoevsky, I confess, I read too frequently in Penguin translation.

But here I was, more than two decades later, renewing my acquaintance. Armed with nothing more than my memories, I turned up at the door of the Clarendon building, that great

pleased to learn that a lost lamb was returning to the fold.

"What year of matriculation was that?" she inquired. Ah yes, 1973. She gave me a smile that suggested surprise I could still walk unassisted. Within minutes, however, she had located a dusty tome thicker than the Domesday

engraved monastic plates.

In fact, it contained something almost as archaic: reams of 1970s lined and perforated computer print-out paper. It made me quite nostalgic. There I was once again, in hard copy, and who knows, maybe on an obsolete hard disc.

Stand there please. Look this way. Click, and the one disconcerting aspect of the process was over, providing me with a Bodleian Reader's card with an instant photograph of someone who vaguely resembled an ageing ex-convict.

It turned out to be just the ticket. After half an hour or so exploring the spartan splendour of the Bodleian itself, I set about looking for the books I needed. All, and more, were there. Finding them couldn't have been easier: the Bodleian is bang up-to-date. Computer terminals

give direct ISDN access on the internet to OLIS (the Oxford Libraries Information Service). Books in the main Bodleian take a couple of hours (not as fast as the new British Library claims but light speed compared with the old British Museum round reading room).

The only items that take a day or more are pulp fiction (as a copyright library, the Bodleian receives a copy of every book printed), which are stored out in warehousing at the village of Nuneham Courtenay.

The books I wanted could not have been more accessible: the medical stuff was in the Radcliffe Science Library (request slips collected every hour, and books back within 30 minutes), while the history books were on open shelves in the magnificent camera itself.

A pint in the King's Arms

while the science books were brought back more familiar memories. And then to work: amid the smell of books and wood and the cheap perfume of over-stressed undergraduates studying for exams, and fallen asleep at the desk.

Thence to the Camera in the falling twilight, across the cobbles and into a reading room as splendid as any on earth, with its great vaulted ceiling, stone stairwells and open bookshelves between the high classical windows.

And all around intelligent young people doing what I should have done years ago: working. Evelyn Waugh came back to haunt me: "Et in arcadia ego." Even if I felt like a pensioner.

Details of access to the Bodleian are on the internet at: [www.bodleian.ox.ac.uk](http://www.bodleian.ox.ac.uk). The entire catalogue, plus those of other colleges and university libraries are available online at: [www.lib.ox.ac.uk:2000/](http://www.lib.ox.ac.uk:2000/)

■ Peter Millar's first novel, *Stealing Thunder*, is published by Bloomsbury next month.

## Grey areas in a white universe

Tracy Corrigan charts the struggles of Joseph Jett since Wall Street branded him a rogue trader

In his elegant dark suit, the neatly-groomed Joseph Jett looked like an identikit Wall Street investment banker when we met at a branch of the Starbucks coffee chain in the heart of New York's financial district.

Except, of course, he is black. And his suit is more than a uniform. It is one of Jett's weapons against the racism he experienced on Wall Street, where black men in suits remain a rare sight. "Even on casual Friday, I wear a suit, because if I don't someone will mistake me for the mailboy," he once told an intern at his firm, Kidder Peabody.

The incident is related in his book, *Black and White on Wall Street - The Untold Story of the Man Wrongly Accused of Bringing Down Kidder Peabody* (William Morrow, \$25). It is a gripping account of one of the biggest financial scandals in Wall Street's history and a disturbing portrait of an uncompromising and often unlikable young man, determined to make it to the top on his own merits in an industry he believed to be meritocratic.

First, the scandal. In April 1994, Jett, then one of Wall Street's hottest bond traders and most successful blacks, was fired by Kidder, which accused him of faking profits to boost his multi-million-dollar bonus.

Kidder's parent, the US corporate giant General Electric, took a \$50m pre-tax charge. In a media blitz, Jett was labelled a rogue trader, a fraudster and a crook with a penchant for body-building.

Jett has never faced criminal charges. An industry arbitration panel cleared him of fraud and ordered his frozen bonus money to be paid to him. He says he spent it on legal fees.

A Securities and Exchange Commission judge also cleared him of fraud, but only on a technicality; she found that he had intended to commit fraud and fined him for book- and record-keeping violations. He is still awaiting the outcome of an appeal.

By his own exhaustive account, Jett engaged in "forward" trading of bonds, which involved booking profits before they had been realised. Jett's version of events is that Kidder's managers not only knew of his activities but were manipulating the firm's accounting system to disguise the fact that the unit was using more of its parsimonious parent's capital than it should have done.

However, his bosses have consistently denied knowing what he was doing, and General Electric still insists he is guilty. "As the extensive opinion of the SEC administrative law judge shows, Jett acted alone, intended to and did commit fraud on Kidder... The decision and the opinion of the SEC judge is the full and complete rebuttal of Mr Jett's book in our opinion," the company said in a statement.

So did Jett independently exploit Kidder's system to produce phantom profits and systematically cover up his activities? Taped conversations with his bosses, a ledger book known as the "red book" kept on the trading desk and other evidence produced at his trial suggested that whatever the improprieties of his trading activities, they were neither secretive nor concealed.

During the SEC trial, some press sentiment began to turn. "There is an awfully good chance that Joseph Jett is an innocent man," concluded Gary Weiss in a 1996 *Business Week* article. I felt the same way when I closed Jett's book. He is not always convincing - the conspiracy theories can be a little stretched, as when he notes meaningfully in his



Ex-bond trader Joseph Jett: 'Not only did I lose the most productive years of my life, but I look at what happens to other people'

book that a Jett-like storyline on Law and Order was aired on NBC, the network owned by General Electric.

And Jett not only adamantly denies any wrongdoing but believes his trading was profitable, though legally speaking it does not matter whether or not he lost money. And just because he sounds paranoid, it doesn't mean they were not out to get him.

In person, Jett talks in a matter of fact way about the struggles of the past five years - his legal battles, his abandonment by former friends and colleagues, his roasting by the media, the menial jobs he took to support himself.

But when I ask him why he does not sound bitter, his tone changes. "Oh, I am [bitter]," he says drily. "Not only did I lose the most productive years of my life, but I look at what happens to other people" - in an industry where trading violations are often punished rather mildly.

Jett believes he made a good scapegoat because of his race and because no one liked him. Of his pre-Kidder stint at Morgan Stanley, he remembers: "I was doing quite well, but I was a real ass."

He was, by his own account, aggressive to the point of near-lunacy, egotistic, and entirely ruthless in his quest for glory on Wall Street. "My personality outweighed my colour," laughs an older, apparently mellower Jett.

His description of trading floor racism and misogyny is entirely credible to anyone who has ever encountered groups of bond traders. But Jett's tale is made more

poignant by what came before and what came afterwards. In his book, he recalls the childhood trauma of being turned away from whites-only restrooms during a family trip to the Deep South. But growing up in the Midwest, Jett was ostracised not only by white kids because of his race but by black kids because of his uncool and undeniably irritating insistence on discipline and striving for excellence - values instilled in him by

his father, a former soldier. His views on race - also shared with his father - are about as politically incorrect as they come. He vehemently opposes affirmative action and bemoans the "intellectual dumbing down of the black race."

"Of course everyone wants it to be easier, but we're feeding into the old idea that blacks can't compete." He believes the mind-

paigns like the one by former presidential candidate Jesse Jackson to force corporate America to employ and promote more blacks. "It's difficult to boycott Wall Street. It's so far removed from most black people's everyday lives. 'Ooh, we're hurting now,'" he mocks. He is critical of black leaders - "Jesse Jackson even sounds like they want" - and slips in a shot at the media, which "loves the idea of the fat black preacher shouting at the top of his lungs."

His alternative to affirmative action? "I would use draconian methods. I feel the black race is in a fairly desperate plight right now." Instead of positive discrimination, he would impose "stringent requirements in academic performance before allowing participation in athletic events". He is angry about "blacks being herded into sports and entertainment. They want to become rap singers," he says despairingly.

It is quintessential Jett. He has honed his views on race so that they will offend or upset almost every interest group simultaneously. No wonder he had no friends when he needed them. But I cannot help admiring a

man who, after such long travails, is still not prepared to pull his punches.

The odd thing is that for all his rage and suffering, Jett still seems to believe there is a Wall Street meritocracy based solely on money. Despite the almost laughably absurd racism he endured at Kidder, which he says included lectures from his boss on avoiding fraternisation with white women and on black male sexuality, he insists he would not have risen through the ranks as rapidly in another industry or at a more traditional firm.

His latest venture, an offshore hedge fund, may be the only option open to a trader banned from trading on Wall Street, but it may also be the latest phase in his quest to prove himself - and overcome the barrier of racism - through the force of numbers.

Jett is bright and diligent. He used to get up, work out in the gym and still arrive at his desk at dawn. But above all he appears to have remarkable strength of will. It is not that a lesser man would have been crushed by his experience; most normal people probably would not have survived it at all.

## Sikhs celebrate survival and security

Alan Beattie explains a certain similarity of outlook between the Sikh community and the British - initial reserve followed by tolerance

On a bright Sunday this month, 40,000 Sikhs crammed into the west London suburb of Southall to celebrate the 300th anniversary of their religion's foundation.

The scene, watched by many more who clambered on to walls and rooftops overlooking the narrow streets, pointed up the contrast between the vibrancy of the subcontinent and the drabness of London suburbia.

Against a backdrop of scrubby poplars and grey pebble-dashed council houses, a heaving sea of celebrants was dotted with turbans, silk banners and flags of bright saffron orange, the colour of Sikhism.

The Sikh holy text, the *Guru Granth Sahib*, was paraded under a gilded canopy. At the thickest part of the crowd, the procession stopped and silence fell. The ritual calls of the priest travelling with the book were returned by a low susurrance as the thousands present, hands clasped in supplication, turned towards the canopy and intoned "Sat Sri Akal" ("Truth is eternal"), the Punjabi phrase that acts as Sikh greeting, salutation and farewell.

A venerable stalwart of the local *gurdwara*, or Sikh temple, embraced a fraternal delegation from the World Council of Hindus. Teams of dancers wearing white *sakhar-kameez*, the dress of the Punjab, clashed staves to the hypnotic thump of drums.

But one of the most arresting sights was an open-topped bus

bearing a party of war veterans. Their martial bearing, identical sky-blue turbans and ribboned chests were a reminder that the military tradition of the Sikhs was admired and recruited into the British army.

Indeed, as well as being a celebration of the survival of Sikhism through 300 sometimes turbulent years, the parade also symbolised the security of the half million-strong Sikh community in the UK, the largest settlement outside the subcontinent and one that reflects a long history of entanglement with the British.

As a monotheistic religion with a strong commitment to sexual equality and an explicit rejection of the Hindu caste system, Sikhism was never going to have an easy ride in northern India, caught between the shifting boundaries of the huge, mainly Hindu, population to the south and the Islamic Mughal empire which had swept down from the north.

During the period of the 10 gurus who founded the religion, the continual attempts by Mughal emperors to assimilate or destroy the nascent religion led to a fierce spirit of independence and a willingness to take up arms

to defend it. When the 10th guru, Gobind Singh, laid down the rules of the Khalsa military brotherhood which formed the core of Sikhism in 1699, he did so with a deliberate aim of creating a highly visible armed contingent. Distinctive in their uncut hair wrapped in turbans, the Khalsa always carried daggers as a symbol of their willingness to fight for the honour of their beliefs.

By the early 19th century the Sikh community had evolved into a powerful kingdom. It controlled the Punjab under Ranjit Singh, the legendary leader who consolidated temporal power while sometimes neglecting the spiritual - he enjoyed multiple wives, some of whom were Muslims, and was widely reported to drink alcohol, both activities disapproved of by the gurus. But he turned an undisciplined guerrilla cavalry into an efficient European-style infantry army, which extended the Sikh empire to the borders of China.

Ironically it was the Sikhs' defeat in the Anglo-Sikh wars in 1849 that gave fresh impetus to the maintenance of the Khalsa religious heritage. The British, recognising the fighting skills of

the Sikhs, recruited them en masse into the British army in India, explicitly basing the army regulations for Sikh regiments on the traditional rules of the Khalsa. Within a decade the Sikhs, who had a reciprocal admiration for the military prowess of the British, were helping

**Workplace discrimination banned bus drivers from wearing turbans and stopped Sikhs working in certain factories**

them to suppress the Indian Mutiny.

Outside the army it was a different matter. In a foreshadowing of the experience of some Sikh immigrants a century later, Ranjit Singh's son Dalip went to Britain and underwent a crude cultural emasculation. He half-heartedly converted to Christianity (later trying to convert back) and, as a tame Sikh at the court of Queen Victoria, provided political legitimacy for the occupation

of the Punjab. The glorious Koh-i-Noor diamond that had once graced his father's arm was cut down by more than half, polished and added to the British crown jewels.

The special relationship developed. A hundred thousand Sikhs served in the British army on all fronts in the first world war, and the bond survived the massacre of civilians ordered by the local commandant General Dyer at the Sikhs' holy city of Amritsar in 1919.

Indarjit Singh, editor of the *Sikh Messenger* in Britain, says the mutual respect persisted despite the prominent Sikh involvement in the Indian struggle for independence. "Despite occasional atrocities and the recognition that the British were holding India by force and had to be expelled, Sikhs contrasted the relative enlightenment of British rule with that in other empires," he says.

So despite the further sense of betrayal felt when the British partitioned the Punjab between India and Pakistan in 1948, the resulting waves of emigrants in the 1950s and 1960s - later followed by Sikhs driven out of Kenya and Uganda - saw

Britain as a natural destination.

First-generation Sikh immigrants received a mixed reception. Among the native British who had served in the army, they were warmly welcomed. But initial suspicion from others meant that in the early years many abandoned the outward appearance of their religion, aided by workplace discrimination which banned bus drivers from wearing turbans and stopped Sikhs working in certain factories where they were told, their long hair would be dangerous when working with machines.

However, as Indarjit Singh says: "Sikhs have never felt strangers in this country." A certain similarity of outlook between Sikhs and the British - initial reserve followed by a tolerance of others' beliefs - meant that acceptance of their presence in Britain came swiftly, he adds. And when the rise of Sikh militancy in the Punjab and the storming of the Golden Temple by Indira Gandhi's government in 1984 led to a resurgence of religious identity among lapsed Sikhs in Britain, it never manifested itself in an aggressive rejection of liberalism, Indarjit Singh says.

"In the aftermath of the Golden Temple incident, many compared it to the 1919 attack by General Dyer. But many more were killed by the Indian army than by Dyer, and while the latter led to a committee of inquiry, the Golden Temple attack was blamed on the Sikhs and led to nothing."

Even the Duke of Edinburgh's ill-judged dismissal of the 1919 massacre during a royal trip to India in 1997, although causing an uproar in India, drew little more than private disappointment among British Sikhs.

Sikhs are well used to finding themselves in a minority wherever they choose to settle. But in the UK, at least, the eternal defensive vigilance has been somewhat relaxed.

Can this endure? At one extreme the first substantial generation of British-born Sikhs can turn away from their traditional culture in favour of an undifferentiated Britishness; at the other they can choose to embrace a more militant separatism which rejects the concessions their parents made.

But the combination of fierce pride in their own culture and a traditional tolerance for others makes either of these an improbable option. More likely is that they will find a way of holding on to an understanding of their Sikh heritage while actively participating in the life of the country which to their parents may have seemed like sanctuary, but which to them has always been home.

Glazed  
forgott

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# Glazed but not forgotten

Clarice Cliff, design icon and iconoclast, was born 100 years ago but her vision has not faded and her ceramics are more popular than ever. Holly Finn is bowled over by the artist's 'Bizarre' talent

People are like pieces of pottery. Some look good, say the right things and present themselves well at formal dinners. Others are a little different, and a lot more colourful. They're the sort, when you're seated with them, that can't help but spontaneously lift your spirits.

Reacquainted with Clarice Cliff recently, I was reminded that I prefer the second kind - of both. Though Cliff has been dead for 27 years, her boldly shaped and brightly coloured ceramics, particularly those designed and hand-painted in her most prolific period (1927-1939), are very much alive.

While other artists took a logical, level-headed approach to their ceramic work (a little gold trim here, a dainty scroll pattern there), Cliff went wild with her designs. Her passion was, and is, reciprocated. The Clarice Cliff Collectors' Club now has 699 members. In 1998, £13,500 was paid at auction for an original Clarice Cliff tea set. And exclusively this year, the centenary of her birth, reproductions of a number of her designs will be available from Wedgwood.

"It's like tasting a sweet you really like. You want to go and buy a pound, eat them all and make yourself sick," says Len Griffin about the reaction people often have when they see Cliff's designs. Founder of the collector's club and author of the forthcoming book *Clarice Cliff: The Art of Bizarre*, Griffin helpfully explained to me that unbridled enthusiasm is a classic first-stage symptom of the budding Cliff collector.

As in love, you are

smitten. Chancing upon one of Cliff's "Bizarre" creations - star-patterned orange and yellow plates, a coffee-set painted with red and green curlicues, pots decorated with primary-coloured pebbles or butterflies or flowers - you feel lucky to be in the presence of such a jubilant personality. Even the names Cliff chose for her patterns are gleeful, such as *Caprice*, *Fantasia* and *Delecta*.

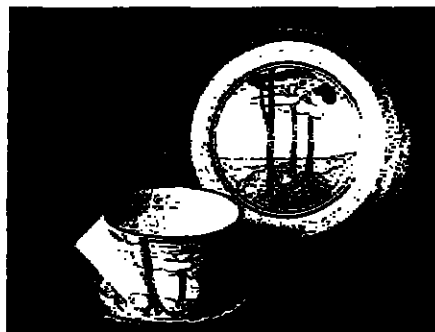
How could you resist the latter, for just an instance? Launched in 1929, it is a jumble of purple, yellow, green, red and orange enamels, mixed with turpentine, laid on to the cups and bowls of a coffee set, and left to drip suggestively down their sides. As Griffin points out in his book: "The vision of 1929 art, when a painter literally threw pots of vividly coloured paint over a canvas, is a stereotype today, yet Clarice Cliff did exactly this in 1929".

In 1930, the *Daily Mirror* wrote: "One of the romances of the pottery trade has been that of Miss Clarice Cliff who a short time back was a modeller for a pottery firm in Stoke (on-Trent), before she conceived the idea of

brighter pottery for the home. Now she spends her days designing gay, many coloured fantasies, that are patterned on ordinary cream pottery by over 100 girls, paintresses as they are called locally, who quickly learn her designs by heart."

Cliff worked at Newport Pottery, in Stoke-on-Trent, where she was promoted to apprentice modeller in 1922. Her studies at the Royal College of Art had already convinced her that English pottery lacked colour. Then, in 1925, she visited the Exposition des Arts Decoratifs (Art Deco) at Industriels in Paris, where it's likely that the work of cubist artists such as Robert and Sonia Delaunay made an impression.

Cliff's "Bizarre" were launched soon afterwards, in 1927, when instead of throwing away a stack of excess pottery, she painted it bright and named it after a set of prints recently given to the British Museum. By a 17th century Italian artist, they depicted wacky creatures called "Bizarrie". She took the artist's theme and ran with it, painting flamboyant designs on to funky shapes that soon became highly desired.



Too-time temptations: Wedgwood brings back Clarice Cliff with reproduction pieces. Left: Blue frits conical tea cup, saucer and plate (200). Right: Staffordshire tea-pot, sugar bowl and cream jug in Melton (£120 the set). And above: Farmhouse, Limerick, Red Roof Cottage and Orange Erin sugar shakers (£50 each).



She was promoted to art director at Newport in 1930. That year, Cliff was quoted as saying: "Women today want continual change, they will have colour and plenty of it. Colour seems to radiate happiness and the spirit of modern life and movement, and I cannot put too much of it into my designs to please women."

Cliff aimed to please, but never sacrificed her distinct, very personal style. Instead of serigraphing her ceramics (spraying a thin layer of colour over a printed pattern), which was common at the time as well as economical, she insisted

on the more vibrant, less industrial look of hand-painting. She was one of the first to incorporate Harrison pink, a tint with a high gold content and so a higher price, in her patterns.

And she invented quirky designs, such as conical sugar shakers, beehive honey pots, and the original blackbird pie funnel (later mass-produced by others), because she firmly believed that women wanted individuality, not homogeneity, in their homes. She was right. Says Griffin in his book: "By not taking her work too seriously Clarice produced very commercial ware."

Today her work is being celebrated by Wedgwood, which in 1970 bought the factory where Cliff used to work. An exhibition of more than 600 of her pieces is opening there, in Stoke-on-Trent, on April 28.

Upcoming auctions at Christie's and elsewhere continue to feed ever-hungry collectors on the hunt for as-yet-undiscovered Cliff

truffles. Griffin estimates there are 45,000 combinations of Clarice Cliff patterns and shapes, only a portion of which have been found and identified. "You'd never get to the end of collecting it," he says. "With Clarice Cliff, you don't know what else you can get because so many new things are always being found."

At auction, Cliff's original conical sugar shakers (which could just as easily shake powdered chocolate or salt and pepper) go for up to £2,000. But - this year only - you can buy a bold orange-patterned printed reproduction shaker from Wedgwood for just £50. Given that a reproduction Cliff teapot sold in 1997 for £160 was resold at auction a year later for £360, a shaker doesn't seem a silly investment.

But Cliff is not really the sort of designer you buy to resell. "She was just as much an artist as Matisse or Monet," says Griffin, "although her canvas was earthenware, and she lacked

the romantic surroundings. For many years Clarice's Staffordshire background remained a hurdle her reputation could not surmount."

Still, bursting with colour and an irrepressible sense of joy, her ceramics were good enough for Bloomsbury artists Duncan Grant and Vanessa Bell, who for years ate off sets of her ware at Charleston, their country house in Sussex.

"Had Clarice designed in a Chelsea studio," continues Griffin, "she might have been accepted by the establishment more easily. But Clarice was a true Staffordshire artist who reflected the heritage of this unique part of England in a way only she could, and in a way only she knew how."

Like the person seated to the right of Dorothy Parker's character in her short story, *But the One On the Right*, Clarice Cliff is the sort you instinctively want to spend time with. Parker's character spends the whole of a dinner party tethered to a tedious conversation with the one on her left, all the

while wishing she could have a moment with the seemingly fascinating one on her right.

You imagine he - like Clarice and her pottery - is the kind that promises pleasure not duty, outright delight not restraint. Why waste time with what's dull, when you can have dramatic? That's the point of the story, and of Clarice Cliff.

Waterford Wedgwood: 158 Regent Street, London W1 (0171-734 7263). Stockists: 0800-317 412.

Clarice Cliff: *The Art of Bizarre* by Leonard Griffin, will be published on May 27 by Pavilion, £25.

*The Bizarre Art of Clarice Cliff* exhibition runs from April 28 to September 5 at the Wedgwood Visitors Centre, Barlaston, Stoke-on-Trent (01722-322452).

Christie's next Clarice Cliff auction is on May 21 at 85 Old Brompton Road, SW7 (0171-581 7611).

Phillips next Clarice Cliff auction is on July 15 at 101 New Bond Street, London W1 (0171-629 6602).

# A (very) vertical tasting

Their mission, once accepted, was not impossible. John Münch meets the men behind a new big-hit restaurant in Las Vegas

Let me pitch you the story. Picture a one-of-a-kind architectural space surrounded by a fistful of big buildings, big personalities and big bucks. Add to that a big vision: the triumph of world-class design and cuisine in a place where the only tables worth patronising traditionally have been for gambling. All this in the middle of the desert, in Las Vegas.

Could it get any hotter? Well, get this. It's Adam Tihany and Charlie Palmer and the restaurant they built - or maybe it should be Charlie and Adam. We're talking big, capital-letter egos here, and these chaps are both accustomed to top billing.

The script could go either way - boom or bust - but with these guys involved, it's got real blockbuster potential - think *Butch Cassidy and the Sundance Kid* meets *Willy Wonka* and the *Chocolate Factory*.

Tihany is a restaurant owner and designer (some will tell you the restaurant designer, for it was he who revamped Le Cirque 2000 in New York, Monte's in London and The King David Hotel in Jerusalem). Born in Transylvania, raised in Israel and design-educated in Milan and across Europe, he was once quoted as saying he had "major problems taking orders". But he has no problem bringing the spaces dreamt up in his imagination to life.

Palmer is a chef who grew up on a farm in Smyrna, upstate New York, and now enjoys giving orders in an ever-growing restaurant empire based in the Big Apple. His much-feted Aureole restaurant has been one of the prime protagonists, since its 1988

opening, of the early stirrings of "progressive American cuisine".

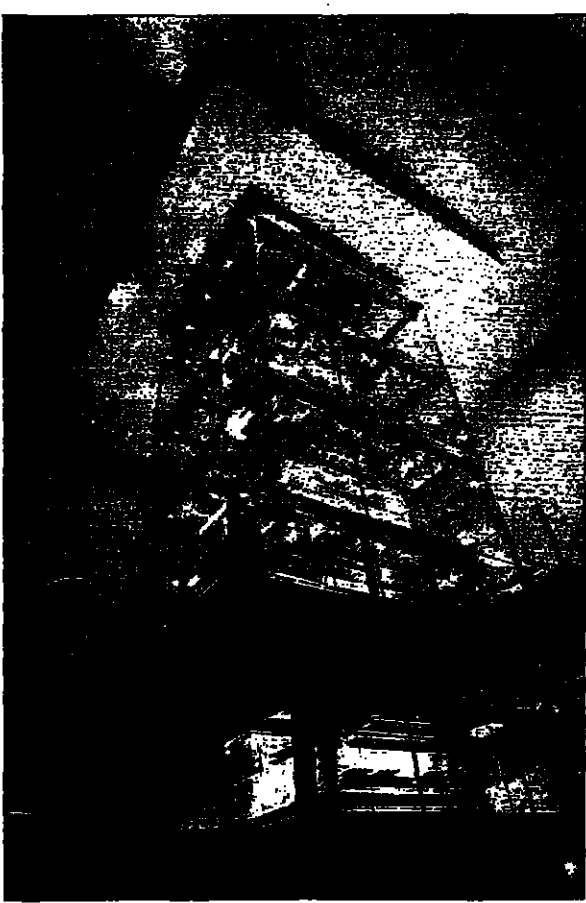
Palmer is clear about what "progressive" means to him. He is a man who believes in marketing, not overselling: "A lot of people will say in this country there is such a thing as an American cuisine. I think eventually there will be an American cuisine. I don't think there is now. A cuisine is something that happens over 50 to 100 years, not over 10 to 20."

"The nice thing in America is that we don't have the restrictions or boundaries that come with tradition, like in France which you see now finally changing drastically. What we're doing in the restaurants changes constantly [hence the 'progressive' tag]. It's a great time to be cooking in this country."

Although Palmer and Tihany have known each other for about 20 years, they had never worked together on a restaurant project until the opportunity arose to design and operate a second Aureole restaurant - in Las Vegas.

Even before it opened last month, as part of the gigantic Mandalay Bay resort and casino which boasts 3,700 rooms and suites and a total of 14 restaurants, the new Aureole was destined to be in complete contrast to the sleek but homey original site in New York - a town house on the Upper East Side between Madison and Park Avenues that has long attracted the most devoted foodies.

First, Tihany and Palmer were presented by Mandalay Bay's management with a monumental space. "It was an architect's dream. It was a cube shape with the axis



Giving flights of wine a new meaning: the 42ft wine tower at the new Aureole restaurant in Las Vegas

going right through the middle," says Tihany.

Then they had a monumental challenge - to devise a fitting display for the wines made available by a California collector as part of the inducement to create the new restaurant. "We had another problem," said Tihany, who is known for his kinetic interpretations of space. "There was already a design for the restaurant. It had one of those great ballroom staircases with swans."

He decided he couldn't work with the initial design and offered management a

deal: if they scrapped the staircase (even though the materials had already been bought), he would provide a "shrine" for the unique store of wines - 40,000 at the last count.

Though the money men accepted the quid pro quo, Tihany was less sanguine after he had talked them round. "I didn't know what I was going to do. That night I was in my hotel room and I turn on the TV and *Mission: Impossible* is on. I see Tom Cruise being lowered on a harness. And I realised that was it. We would have a wine tower, and hostesses

would fly up and down on harnesses to get the wine."

The wine tower is very Las Vegas - outrageous and expensive (about \$1.2m) - but, as Palmer sees it, "in a very chic and classy way. It is not cheesy and in no way is it anything but first class."

The tower is 42ft high and 14ft square. It is made of stainless steel fitted with laminated glass containing wine racks of sand-blasted plexi-glass, and temperature controlled to 55°C with humidity at 70 per cent.

To Tihany, the statistics are not just phenomenal, they are personal. He considers himself "a portrait artist, painting portraits of my clients. I do research about what they stand for, where they come from to be able to know where to take them. The Aureole in Vegas is a portrait of Charlie - tall and strong."

While conjuring up the high-tech magic of the wine tower, Tihany wanted, in that soaring space, to maintain "the warmth and personable feeling of Charlie, that what you see is what you get, interpreted here in a sophisticated architecture".

How, then, does the restaurant, now in its first weeks, strike the customer's eye and palate? Like other sights and sounds in Las Vegas, Aureole plays second fiddle to gambling. It is nestled in a corner of a vast gaming room, several soccer fields in size, not far from The House Of Blues. To reach the restaurant, you must skirt slot machines and card tables - not the most encouraging entrée for a world-class meal.

Gently curved and earth-brown in colour, Aureole's frontage is the most minimalist you will see in this city. There's not a neon lure in sight. The cuisine, on the other hand, is as haute as you can get. Once inside, the wailing of the blues and the hypnotic melody of the slot machines magically dissolve into soothing quiet.

Palmer's inspiration is French but his cooking is not beholden to place - New York, Las Vegas or elsewhere. My main course, of wood-grilled filet mignon accompanied by marrow and parsley custard in a hollowed-out bone, was superb. The beef, black Angus air-freighted from Palmer's New York state supplier after suitable ageing, yielded helplessly to

the lightest touch of my knife.

Then there are the wines. For starters they include Lafite, Margaux, Palmer and Leoville-Las-Cases stretching from 1984 to 1990. These perk up even the most jaded palate, and carve a sizeable hole in even the fattest wallet.

Keeper - in all but name - of the great wine tower, is Steve Geddes, Aureole's director of wine and one of only 74 master sommeliers worldwide. Geddes can machine-gun you verbally with his knowledge of fine wines but, like Palmer, he is a country boy (son of an

electrician father in Oregon) and straightforward. He is keen to discuss the finer points of the vintages.

Geddes' particular recommendation was for Austrian dessert wines, notably those by Alois Kracher in the Wachau area west of Vienna. Our bottle of 1996 Trockenbeerenauslese, Kracher No 7, was a marvel. Such splendour, however, does not come cheap at \$211 a bottle.

But when you order it, your waitress doesn't disappear into some dark, damp cellar. Instead, she takes to the air, soaring up into the wine tower and

retrieving your bottle while in flight.

Sure, Aureole at Mandalay Bay is theatrical, but not at the expense of taste. It is not vulgar. Rather than being a straight-to-video production, it has all the ingredients of a *Gesamtkunstwerk*, the Wagnerian ideal of a unified work of art in which all aspects - drama, decor, and cuisine in this case - are combined, each contributing but subservient to the whole. In Vegas, that's saying something.

Aureole restaurant, 3550 Las Vegas Blvd, Las Vegas, Nevada 89119. Tel: 702-632 7401.



Adam Tihany: designer



Charlie Palmer: chef

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# Like candy in a coalmine

War-time utility gave way to 1950s femininity. Now pretty little madames have started the backlash against 1990s austerity, says **James Sherwood** and soft has never looked stronger

Demure, pretty and lady-like haven't figured on the fashion agenda since the demise of Paris couture in the 1950s. So why, this season, does a pair of powder pink suede slide heels from Gucci look as tempting as Belgian chocolate? Why do Donna Karan's ice-cream coloured parachute silk ballgown skirts worn with bare feet feel right?

This instinct for pretty and feminine files in the face of the decade's fashion mantra: sport, utility, unisex and simple. The 1990s have seen sportswear in the ascendant, basics on the rise. Gap, the McDonald's of fashion retail, has reduced our generation to its lowest common denominator: a simple urban uniform as bland as Evian water. There had to be a backlash.

With 1950s prom skirts, Capri pants and a satin opera coat owing much to Elizabeth Taylor in *Butterfield 8*, the spring-summer 1999 collection from fledgling American label Tuleh is leading the revolt. Designers Josh Patner and Bryan Bradley are in the vanguard of the Pretty Modern Movement.

"What is not modern about femininity?" asks Patner. "We believe it's a misconception that to look modern you have to be clinical. Perceptions of modern haven't changed since the space programme. To us, there's nothing less contemporary than dressing



like one of the Jetsons. The eye gets tired of dreary clothes. We knew a lot of pretty women who were longing for pretty clothes, and decided to seize the day."

Tuleh's new collection is an exercise in elegant refusal - refusal to follow the designer superhighway towards laser-cut Techno fabrics and clinical minimal shapes, refusal to bow to uniformity, deny femininity, or be a victim of the extreme. Their circle-cut cerise prom skirt, shantung slacks and pretty

Taking a cue from Audrey Hepburn's sunny 'Funny Face' (1956), even a 1990s woman can loosen up in this floral print silk chiffon dress (\$1,995).

floral blouses are unashamedly ladylike. Their colour sense is exuberant. Their fabrics are the highest-quality cloth.

Women who invest in fashion have lifestyle requirements certain trends do not answer, and the new prettiness does. Why shouldn't women want to look like women? Don't men



like women to do so? It's about reclaiming femininity as a positive.

Modern women no longer feel the need to ape the masculine two-piece suit as they did in the 1980s power-dressing decade. "Equality is absolutely necessary in the workplace," says Patner. "But it's not attractive in your closet." Working women know there is no need to wear tailored armour plating or to dress down any more; dressing down is an extension of dumbing down.

So now simplicity must be sophisticated - and spinning simplicity into glamour is the challenge and genius of American design. "Ease is one of the most difficult messages American designers have to put across," says Patner. "What with all those leisure suits you see Americans wearing. Ease for Tuleh is a lightness of touch in construction of the garments and choice of fabrics. There's nothing stiff or formal about our clothes."

The full skirt, which hasn't enjoyed a moment in the sun since Christian Lacroix couture puffball in the 1980s, is once again taking centre stage. It is a key Tuleh piece, but instead of supporting the prom dress with yards of net, designers Patner and Bradley have left the fabric unencumbered and cut the circle skirt generously. It is light as air rather than wedding-cake heavy, liberated not repressed.

You may well question

what would possess 1990s women to embrace the prom dress all over again, and whether it really makes sense to return to an era when the image of a woman was as a disempowered doll who never drove a car, opened a door or had a career? In the past five years, designers have revisited every decade of the century. Fifties retro doesn't answer the needs of a 1990s woman any better than any other era, or does it?

"We tend to deny too much 1950s influence," says Patner. "What we don't dispute about the 1950s is the fact that all women - from teenagers upwards - cared about presentation and precision in the way they put themselves together. It's an optimistic way of facing the day, putting your best foot forward by dressing as well as you possibly can. A real celebration of femininity makes you feel better, right?"

The reception of Tuleh's collection for this season bears out this belief. "If I saw another pair of khaki pants, I thought I would scream," says Elle fashion director Claudia Navone. "As an Italian woman, I like fashion to be feminine. By spring-summer '99, I wasn't interested in Utility. Pretty has returned and I couldn't be more delighted."

Tuleh's collection is on sale at US department stores Neiman Marcus and Bergdorf Goodman. Angela Quintrell, buyer at Liberty in London, is expecting her first delivery in



Just the thing for an updated 'Romeo Holiday' (1957): A moss green silk voile short-sleeved top (\$435) with a blue/black silk/linen skirt (\$450)



The sweet-talkin' look of Elizabeth 'Maggie the Cat' Taylor in 'Cat on a Hot Tin Roof' (1958) returns with a fuchsia silk chiffon circular skirt (\$395) and violet cotton and silk voile shawlneck top (\$425).

Archive photographs courtesy of The Kofal Collection

## Game for gentle geniuses

Holly Finn discovers the art of communication from boardgame to boardroom

In the spring of 1949, Princeton University in New Jersey was a hotbed of mathematical discovery. Among the big brains doing the discovering, a boardgame called Nash was the most popular pastime. Named after its creator, John Nash, the game is described in his recent

biography, *A Beautiful Mind*, as the mathematician's "first bona fide invention and the first hard evidence of his genius". His peers, even his mentors, were "beguiled by its ingenuity and beauty". But, as biographer Sylvia Nasar points out, "the inventors of games that people do play are, of course,

lost in the sands of time". Nash almost was. He had a breakdown at 31 and descended into schizophrenic madness for three decades. But, remarkably, recovered. In 1994, he was awarded the Nobel Prize in Economics, thereby avoiding anonymity forever.

The inventors of Abalone, a boardgame that has captured the imagination of France and is about to be introduced in the UK and US, may not have such trauma and recognition ahead, but what they have created is worth noting, their game worth playing.

Abalone is elegantly simple. It is a reminder that the games people play can be more than brain-teasers or time-killers. If created and played well, they become gentle exercises in communication.

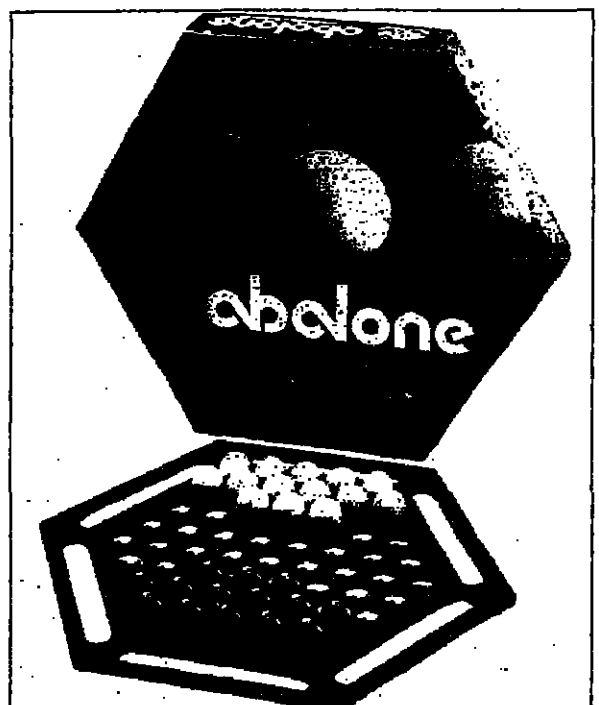
Abalone is played on a hexagonal board, one player against one other. Each starts with 14 balls, either black or white. Moving their

balls across the board, the aim of each player is to be the first to push six of the other's balls off the edge into the trough around the rim. This is done using a simple formula: 3-2-1. Three balls pushes two, two pushes one.

Any age can play, and any age does. At the Paris Toy Fair two weeks ago, an elderly grandfather sat hunched over a board at the Abalone stand, playing against his young grandson. The boy, no more than 10, was winning. "This one is not a game for brains. It's a game for feelings," says one of its pair of inventors, Michel Lalet.

The Abalone web site ([www.abalone-online.com](http://www.abalone-online.com)) says the game is "all a matter of tipping over, keeping one's balance, pushing, pinning down, playing possum, ducking or taking your opponent by force, the better to neutralise him".

"The game is not violent," says Lalet. It is designed to encourage



Abalone: not a tribute to the crustacean but a way of touching

subtle, not savage, moves. In France, people play in cafés and parks. "We even found people playing in discotheques," says Lalet, "where it is so noisy people can't speak. But they understand each other through the game."

The first time I played it with a friend I stopped halfway through, when our balls were in deadlock, and chuckled that the board looked like a pretty accurate reflection of our relationship. It seems I wasn't joking. I

was on to something. Businessmen, after playing, have reported that they've quickly gained new understanding of their role in corporate politics. People see in the board strategies that apply beyond it.

Shortly after Abalone was first marketed 10 years ago, the inventors were sitting at a Paris café and overheard two women talking about it. The elder said, emphatically, to the younger: "Play that game. It's absolutely sexual." Lalet says: "So we said, 'We got it. We found something.'"

Though it was not the inventors' aim to create a game that acts as analyst, they did consider a deeper meaning. The name Abalone is not a tribute to the crustacean, but a splicing together of the latin word "ab" (meaning away from, or - more loosely - the opposite of) and alone. "Never alone" is the way the inventors like to translate it.

In the design phase, they concentrated on finding a way for people to touch each other, by literally touching their opponent's balls. The sound this made was vital to them (both Michel Lalet and partner Laurent Lévy love

music). They rejected the arrogant, aggressive "schkiah" sound, in favour of the smoother "pskew", which is reminiscent of a Jaguar's door being shut, and is soothing.

Who knew this much thought went in to the making of a boardgame, something you pull out of the cupboard on a day so rainy even the colourised version of *Gone With the Wind* won't help? Well someone did, and Abalone won Game of the Decade at the International Games Festival in Cannes last year.

■ In France: Abalone can be bought in all leading supermarket chains including Carrefour, Conimex and La Bon Marché, and also at specialist games shops including Toys R Us, for FFY200.

■ In the US: Abalone will be available at leading games shops including Game Keeper at \$19.99. For details tel: +905 961 1166.

■ In the UK: Abalone will be available at the end of the month at game stores including Hamleys and Playing Games, as well as department stores and newsagents for £19.99. Stockist inquiries: 01482-342291.

how to spend it

# Deligh beyond

COOKERY

Want a luxury look, but one that won't crash out after a season. It's what's coming to be known as "hedged hedonism". Designers such as Tuleh, by returning to flattering, feminine shapes while taking advantage of fabric technology to make the pieces user-friendly, are smartly supplying the demand for it.

Says Patner: "We're about a fusion of couture technique done in a more ready-to-wear way. What's interesting is the hand-made quality of our clothes. There is a lot of hand-finishing and beading - and all the fabrics are the best of the best - but we're keeping it light, modern and easy to wear."

In a morass of stark black, white and grey, pretty clothes such as Tuleh's stand out like a piece of candy in a coal mine. They whisper that this is something special - and that \$400 for a floral blouse is worth it, because femininity lasts. What these pretty things ask, is the point of paying the same amount for something that is supposedly high-style but is really as homogeneous as Gap supplies?

You might as well save the money, join the khaki army and disappear.

● Liberty, 210-221 Regent Street, London W1, tel: 00 44 171-734 1234. Bergdorf Goodman, 754 5th Avenue, New York 10019, tel: 00 1 212-753 7300. Neiman Marcus, 9700 Wilshire Boulevard, Beverly Hills 90212, tel: 00 1 310-550 5900. Ultimo, 44 Highland Park Village, Dallas 75205, tel: 00 1 214-520 2065.

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FOOD AND DRINK

COOKERY

# Delights that lie beyond the fillet

The most versatile of meat should be eaten from 'nose to tail', says Philippa Davenport

Beef and lamb can make wonderful eating but the meat of the pig would be my desert island choice. Organic free-range, of course. Gloucester Old Spot or Tamworth for preference, with a hint of apple and beechmast sweetness from rootling in orchard and woodland.

No meat is more versatile. And no cut pleases me more than belly, with a ratio of fat to lean (what London chef Fergus Henderson calls its "not quite meat, not quite fat, quality").

Belly makes the best bacon. It can be roasted fresh, brined and poached, chopped and braised, or ground to make sausages, rillettes and meatballs. What is more, it is cheap.

Last Sunday I forsook my

usual favourite cut to roast a crackling loin of pork in the classic English style, chined and finely scored to encourage the skin to become ultra-crisp. It has to be meat of good provenance to come out right.

Modern, over-lean breeds of fast-grown pigs yield meat that tends to be tough as well as tasteless, however carefully you cook it. That said, even the best pork will lose its succulence if roasted too fiercely or for too long.

Overcooked pork is a dull beige-grey stone colour, dry and unyielding, and just as inedible in its own way as lingerie-pink underdone pork. Aim for pearly white flesh judiciously resilient to the touch.

In practice, I find this

means roasting a loin for 45-50 minutes per kilo at moderate heat (190°C, 375°F, gas mark 5) after an initial 15 minutes in a hot oven (225°C, 425°F, gas mark 7). If the joint is small, you may need to add an extra 15 minutes or so at the lower temperature to cook the meat right through. But extra time is unlikely to be necessary if you choose, as I did, a long six-rib piece of loin complete with kidney.

It makes a nice presentation and is easy to carve, not thinly sliced but cut into chops.

To partner the meat I suggest a handful of sage crisps (sage leaves that have been stizzled for seconds in very hot oil or some of the fat rendered from the joint dur-

ing roasting). Pork and sage make fine team-mates and serving sage crisps will assuage members of the old fraternity who harbour a yearning for roast pork with a pocket of sage stuffing tucked into it.

Also recommended with roast pork is horseradish apple sauce (1 large Bramley, peeled, cored and finely sliced, cooked in 2 tablespoons of water until soft, crushed to a coarse purée, seasoned with ½ teaspoon of sugar, some salt, black pepper and 1 tablespoon of hot horseradish sauce or more to taste).

As for vegetable accompaniments, roast potatoes are hard to resist, but mash is purer and soaks up the gravy better. Purple sprouting broccoli and leeks are timely choices of greenery at this season. Equally good is spring cabbage, finely shredded and lightly steamed.

One of the keenest and best pork cooks in Britain today is the affable Fergus Henderson, chef-proprietor of St John in Clerkenwell. His careful, honest and unassuming reworking of British food traditions has won friends among restaurant critics and home cooks alike.

"Nose to Tail Eating" is the motto inscribed on the pig logo that hangs outside his restaurant. Its meaning, as he explains in his soon-to-be-published cookbook of the same name, is that "it would be disingenuous to the animal not to make the most of the whole beast; there is a set of delights, textural and flavoursome, which lie beyond the fillet".

His sturdy and invigorating menu is famous for favouring butch butchers' meats rather than the bowdlerised versions that clutter the average supermarket. In the book, as in the restaurant, you will find no-



Crispy Pig's Tail: making the most of pork with no-nonsense cooking from 'Nose to Tail Eating'

nonsense pea and pig's ear soup; pig's trotter stuffed with potato; blood cake and fried eggs; pig's cheek and tongue; crispy pig's tails; boiled belly and lentils; and much more. There is his renowned roast bone marrow with parsley salad; gratin of tripe; lamb shanks, mutton, plenty of offal, birds and game.

In addition to clear-cut carnivorous strengths, Henderson's repertoire includes dishes that are far from aggressively meaty: he simply celebrates any ingredient

that is the finest of its kind. Thus, he creates a richly appealing assembly of smoked eel, bacon and mash; a velvety leek, potato and oyster soup; an intense chicken broth with wild garlic; cool buttered radishes and radish leaves with vinegar; a consoling dish of buttery celeriac mash with celery leaves and baked eggs (the first recipe I tried when page proofs reached me one frosty morning); great savouries such as soft her- ring roes on toast and Welsh rarebit; and proper puddings

like treacle tart and Eccles cakes. Henderson's book, like his cooking, is unfussy and splendidly spirited writing and lip-smacking food. I doubt there will be many volumes published this year that will make me so eager to cook. Living, as I do, in the blessedly pig-loving county of Wiltshire, I find such delicacies as pig's tails, ears and bath chaps easy enough to come by. Elsewhere, more research may be needed to find them. So I have chosen to quote a recipe (complete

with postscript) that calls for a cut that should be easily accessible to all readers. It is a dish of delicious simplicity, providing of course, as Henderson notes, "when buying your ham, you avoid pink things in hairnets; look for organic and free-range if possible".

## Fergus Henderson's Boiled Ham & Parsley Sauce

(Serves 4)

2kg piece of rolled green collar of good ham; 2 sticks of celery; 2 onions, peeled and stuck with 3 cloves; 2 leeks, cleaned; 3 bay leaves; 10 whole black peppercorns; 10 good-sized carrots, peeled but left whole so they stay sweeter.

For the sauce: 100g butter; 100g plain white flour; 600ml milk; a big bunch of curly parsley, finely chopped.

Place your ham in a pot, keeping in mind you will

need to add carrots later. Cover the ham with water, add the celery, onions, leeks, bay leaves and peppercorns. Bring gently to the boil, skim, reduce to a simmer and cook for 2½ hours. Then add the carrots.

Now make your sauce. Melt the butter in a pan, add the flour and stir on a gentle heat - do not let it colour; it is ready for the milk when it smells biscuity. Add the milk, whisking ferociously and making sure the heat is not too fierce. When you have a firm white creamy

mixture, add a ladle of ham stock and whisk again. Do this until you have reached your desired consistency. Test for seasoning. Before serving, stir in the chopped parsley and pour the sauce into a warmed jug.

When the carrots are cooked, you are ready to serve (if the ham is cooked and the carrots are not, remove the ham from the stock and turn up the heat). Slice the ham and serve it on a plate with the carrots and a drizzle of ham stock. Mustard is vital on the table.

## Fergus Henderson's Broad Beans, Ham & Parsley Sauce

This is the most delicious way of using up the remaining boiled ham. In fact it is so good that it is worth boiling ham especially for this dish.

Yesterday's boiled ham,

cut into chunks; broad beans; parsley sauce.

Gently warm the chunks of ham in the stock it was boiled in yesterday. Boil the broad beans in the ham broth.

When cooked, drain the beans and place them in a dish. Nestle the warm ham into the beans, pour hot parsley sauce over the ham and beans, and eat straight away. A joy!

In the world of theme pubs and restaurant pubs, a locals' local is an increasingly rare find. You know the sort of pub I mean - the type that PR girls for All Bar One wouldn't touch with a 40ft baguette, that hasn't replaced the hand-pumps with the sort of beer engine more familiar to French cafés, and installed plate-glass windows more in keeping with Selfridges than the snug at the Rover's Return.

In short, a locals' local is a pub that still fulfils a proper function as the fulcrum of a residential community, the place you go to get to know the neighbours. The Dacre Arms is one of those. Tucked down a quiet, salubrious residential street, opposite a church hall between trendy Blackheath and Lewisham, which despite the Labour council's aim to turn it into the Wandsworth of south London, remains resolutely unconstructed.

Its historical address is Lee, as witness its proximity to St Margaret's of Lee, site of a parish church of that name since the 13th century, which was wondrously pulled down in the early 19th to make way for a grander edifice which promptly fell down barely 40 years later.

The present Gothic revival Victorian church was moved across the road. Links to nearby Greenwich are reflected in the fact that the churchyard contains the tomb of Edmund Halley, 17th century Astronomer Royal and discoverer of the celebrated comet.

Regulars at The Dacre - some of them at least - know things like that. A potted history framed on the wood-pannelled wall records the origin of the pub's name as linked to the family of an 18th century gentleman called Trevor Roper, later 18th Baron Dacre, whose wife mourned him for 14 years before being buried alongside him in the local churchyard.

I once mentioned this to the present Lord Dacre, the historian Hugh Trevor-Roper, who maintained that he had never heard the tale nor knew the pub. But the tale nor (usually) lie. I suggested he put in a spot more research.

The landlord of The Dacre Arms has no less interesting a family name: Terry Freak is a publican in the old mode, in the business because he loves the business.



The Dacre Arms' Terry Freak, a publican in the old mode

## WATERING HOLES

# Getting to know you . . .

Peter Millar rejoices in a rare treat - a locals' local that's a genuine social service

that can strip paint, but a natural John made clear he knew all about them, and which pubs they attempted to frequent, though he made sure we knew The Dacre wasn't one of them.

Pubs like The Dacre are for the barman prides himself on having his regulars' regular ready in the time it takes them to get to the bar

drinking, and talking, and arguing - not too loudly, please - in short, an antidote to television.

The comment least likely to be heard at the bar: "I'm only here for the beer." The Dacre is a Courage pub which means most of the locals drink Courage Best, a bitter which used to be adver-

tised on television specifically to appeal to the nostalgia wave. Unfortunately, it is a beer I have always considered to taste distinctly soapy.

The "guest beer" policy has therefore worked wonders for The Dacre, which now offers real ale drinkers the very genuine delights of Black Sheep from Masham in Yorkshire, or Spitfire, a hoppy bitter from the Faversham brewer Shepherd Neame. Food, however, is generally regarded as an aberration, except for Sunday lunchtime barbecues on the built-out sun-trap terrace at the back. And wine, by and large, is something John accuses the locals of doing at closing time.

Hospitable to passing trade and a home from home for the regulars, The Dacre is what a local ought to be: a genuine social service.

■ The Dacre Arms, 11 Kingswood Place, London SE13 5BU, tel: 0181-244 2404

# Chum's capital choice was anything but a square deal

Corporate customers may revel in this restaurant. Nicholas Lander did not

It was the time and the occasion for a celebratory lunch. After six months of battling against illness, an old friend was back at work.

When I told him that he could choose from all London's West End restaurants there was a pause at the other end of the line. Perhaps it was the memory of all that hospital food that made him hesitate but eventually his request was for lunch at The Square, the two star Michelin restaurant off Bond Street.

There was now hesitation at my end. The lasting memory of my most recent lunch there had been of seeing the chef, Philip Howard, dressed in his whites, walk through the restaurant and out of the front door as we waited too long for our main course. But this was to be his treat and The Square's wine list is one of the best in town.

Although it was somewhat aggressively sold, when I asked for two glasses of champagne I was only offered the vintage 1988 at an unspecified price which I later discovered was £12.50 a glass. With a little probing I found they also served an excellent Jacquesson non-vintage at a more reasonable £5.

The Square's lunch menu is just the right size. There are half a dozen choices for each course; these incorporate an intelligent mix of the esoteric such as oysters, fole gras and caviar, and the more comforting chicken, a duck consommé and roast halibut with mashed potatoes. But, sadly, the execution of almost everything we ate was very poor.

My guest, feeling the cold, ordered the pea soup with sweetbread and ham beignets, while I, encouraged by his appearance and the champagne, chose buttered Jersey Royal potatoes with caviar. This can be a wonderful way of serving these barbingers of spring, whereby larger Jerseys are steamed, their centres taken out and gently replaced with sour cream and topped off with caviar.

But what arrived was a travesty. The scrubbed potatoes were served swimming in an unspecified and unnecessary broth that was so salty it was impossible to

finish. And there was but a thimbleful of caviar, barely covering one potato, nowhere near enough to justify the dish's £12 price tag, however good the caviar.

A far too heavy use of the salt crock, a common criticism of French cooking in France, was prevalent throughout our meal. Although the pea soup was delicious, the beignets were far too salty and, once added to the soup, adversely affected its flavour. The sauces on both our main courses suffered from this same professional misjudgment.

Misjudgment is one thing but my ballotine of chicken with dan-

Adding in all the other ingredients and taking account of Vat, this dish produces a huge gross profit. The Square's costs may be high but this kind of pricing does justify the widely held, if slightly sweeping, opinion, that many of London's restaurants are just too expensive by comparison with their counterparts in other capital cities.

We sought solace in the desserts but this was neither easy nor ultimately satisfying. We discarded the tart tatin with bananas as another modern culinary fad, this dish only really works well in the original with slightly sharp apples to contrast with the sweet pastry and caramelised sauce), and sorbets or strawberry mille-feuille with raspberries as unsuitable for a cold, windy day and were left with a crème caramel with orange and a pear clafoutis tart with chocolate.

The orange provided a refreshing lift but the crème caramel itself was heavy - or claggy, as they say in Lancashire - as was the bizarre and unsuccessful combination of pear and chocolate which would have benefited from some crème fraîche.

My bill, including a half-bottle of heart-warming Ridge Zinfandel 1994, expertly decanted and served, two coffees but no petits fours, came to £127.68. This is an amount I would not begrudge a dear friend but I do consider excessive for this standard of cooking.

The Square's owners will shrug off the odd bad review such as this. Its location, its proximity to so many corporate head offices, means it is most widely used by expense account holders for whom the convenience and fulsome service are important. But on the basis of this meal, Philip Howard, perhaps distracted by the opening of the group's latest restaurant, The Glasshouse, in Kew, Surrey, (0181-940 6777) needs to concentrate the minds of his Square brigade and, even more important, to relate many of his dishes.

■ The Square, 6-10 Bruton Street, London W1, tel: 0171-493 7100. Open all week except Saturday and Sunday lunch; £60 per person,

with postscript) that calls for a cut that should be easily accessible to all readers. It is a dish of delicious simplicity, providing of course, as Henderson notes, "when buying your ham, you avoid pink things in hairnets; look for organic and free-range if possible".

■ Nose to Tail Eating, A Kind of British Cooking, by Fergus Henderson will be published by Macmillan on May 5 at £25.

■ St John is at 26 St John Street, London EC1; tel: 0171-251 0843



The Square's Philip Howard: could it be that he too thinks spread?



## FOOD AND DRINK

## EATING OUT

## Dandelion, heartsease, borage – and that's just the puds

Sue Style takes a trip to the Black Forest and relishes gâteaux of heroic proportions and soups she had despaired of finding again

At the front of the Michelin Guide in the section on choosing a hotel or restaurant, under the heading "Peaceful atmosphere and setting", and sandwiched somewhere between the park and the sea, there are two identical symbols, one red and one black. Is it a bird? A rocking chair? Opinions vary. We reckon the latter, and are constantly on the lookout for these establishments, which are characterised as *très tranquille*, even, if you're lucky, *très* as well.

Outstanding in this category is the Bergasthof Sonnhalde, tucked away above a tiny village called Büschau in the depths of the southern Black Forest. It is the ultimate get-away-from-it-all Gasthof.

Though it could be called a hotel, it's really more of a *restaurant avec chambres*. The rooms are a little dark and somewhat spartan and the bathrooms pretty grim – the German word *Nasszelle* (wet cell) says it all.

It's the food that lifts this little family-owned place into a category different from most others in the neighbourhood. You can eat quite well in many places in the Black Forest. What distinguishes the Sonnhalde is the emphasis on locally raised and/or freshly gathered produce, simply cooked and beautifully served. You can eat in the dining room, a long conservatory-like area hung on the side of the hotel overlooking the valley and the village, in one of the cosy little *Stuben*, or out on the terrace beneath the plane trees.

In summer, two trestle tables stand by the entrance to the hotel. One is reserved for the day's wild mushroom finds, each

carefully labelled with its German and Latin name; the other bears little jam jars and pots of the many different wild flower varieties found in the steep meadows behind the hotel, likewise identified. The Sonnhalde also has its own herb garden.

Generally speaking, soups seem to fall into one of two categories: either they are thinly disguised vehicles for monosodium glutamate, or they go all up-market and start calling themselves *cognacchios*. The Sonnhalde has soups such as you had despaired of ever finding again.

They are based on proper pieces of recognisable seasonal

vegetables and/or wild mushrooms and serious, home-made stock, enriched with a suspicion of whipped cream. Neither fancy ingredients nor

regularly makes a meal of soup, ordering up to three sorts to satisfy himself that nothing has been missed.)

In the middle are the

*Mischpizze* – mushrooms for mixing. Chef Bernd Roser incorporates them into *ragouts* or omelettes, wraps *crêpes* around them or serves them over blini-like buckwheat pancakes or piles of thinly cut, home-made ribbon noodles.

There is also pinky roasted lamb from the village, venison and wild boar from the surrounding forest and trout from the River Wieslet, which tumbles merrily down the valley below.

And thanks to its wide selection of creative vegetable and grain-based dishes, the Sonnhalde is one of the few places in this part of the world where both omnivores and

There's at least one guest who regularly makes a meal of soup, ordering up to three different sorts to satisfy himself that nothing has been missed

foolish nomenclature: just *Togessuppe* – soup of the day. This, and many other dishes, draws customers from all over Germany, north-west Switzerland and Alsace. The hotel says there is at least one guest who

mushrooms – *Pfifferlinge* (chantarelles), *Steinpilze* (cops) and various other little fungi finds which swell the basket (and the heart) of the mushroom-picker and which are known collectively in German as

non-meat-eaters can find plenty of exciting and delicious things to eat.

At the other end of the meal, the desserts and cakes run the whole gamut of expectations from the ultra-traditional to the startling and special. I recall a creamy parfait based on dandelion flower honey, gaily decorated with heartsease and borage flowers, fruit-based mousses and wonderful cherry, apple or plum tarts, depending on the season.

Throughout the afternoon, Bernd turns out a tireless stream of Black Forest cakes and *Quarktortes* of heroic proportions for the countless weary walkers and cross-country skiers who drop by for *Kaffee und Kuchen* (the area is a paradise for all of the afore-mentioned).

Good food, a peaceful setting, and simple hospitality in the (almost) lost sense of the word. **Bergasthof Hotel Sonnhalde, 79683 Büschau, Germany. Tel: +49 7629 260, fax +49 7629 1737.**

## Tradition curries less favour

The Friday night tikka is giving way to more unusual fare from new-wave chefs, writes Iqbal Wahhab

Look out Café Rouge and Pizza Express, here come Shimla Pinks, Soho Spice and PukkaBar. The curry entrepreneurs who own them aim to turn all three into nationwide household names, too, over the next two or three years.

These are difficult times for Britain's traditional Indian restaurant sector, caught between losing trade to supermarket products – standardised, trustworthy, cheap – and to the newly emergent chains.

The first generation migrant settlers who gave the UK a taste for Indian food did their job too well. They popularised their cuisine to such an extent that there is too much similar competition in the market.

It is time for the next generation of Indian restaurateurs to emerge and do what we all want them to do – take over their fathers' businesses and reinvent them. Yet the sad truth is that the children of Indian restaurateurs don't want to follow their parents into a trade which is typified for them by long hours, low margins and late-night drunks.

Most Indian restaurants are still commercial, rather than culinary, operations. Out of about 8,000 establishments, fewer than a dozen are chef-owned and so changes in culinary direction are slow to emerge.

True, large numbers have brought in interior designers, exchanging dark-red flock for cool pastels. But has the cooking really changed?

Kitchens are not being empowered quickly enough and some chefs are seeking to striking off on their own. The French-style chef patron is starting to emerge. Udit Sarkhel, for instance, left an

extremely comfortable job as executive chef of The Bombay Brasserie in Courtfield Road, London SW7, to set up his own establishment in south London. Vineet Bhatia, previously of the Star of India in South Kensington, London, has put his name above the door at his new venture in Hammersmith.

Both have achieved acclaim for their cuisine, unshackled by margin-obsessed owners who also fear that a famous chef is a poachable one. Both are also following in the footsteps of Cyrus Todiwalla, exuberant chef and founder of Café Spice Namaste in east London, who is at least partly responsible for making diners rethink the way we eat Indian food.

Clear and robust spicing plus the inclusion of unusual ingredients make his menus intriguing reading. With such dishes as kangaroo tikka, bison vindaloo and peacock salad, he has taught us to change our attitudes.

"What I did was to show Britain that there are more ways to view Indian dining than had previously been thought of or promoted," he says.

"Getting the right chefs is only part of the problem; it's more a question of building their confidence to a level where they can really shine."

With traditional owners reluctant, perhaps, to give their cooks free rein, the onus falls on the likes of Todiwalla. "My second chef came here from Goa," he says, "and if he hadn't wanted to return there, I would have given him his own restaurant. That's the way things will change."

With his wife Perween, Todiwalla actively promoted his new-style dishes to customers at first.



Look – no flock wallpaper: the Rasa chain specialises in food from the Kerala area of south India

and now his two restaurants heave with patrons seeking out his next invention. He has had a cookbook published and it will not be long before his next television venture. An Indian super-chef is in the making, and Sarkhel and Bhatia will not be far behind.

Indian restaurants that are new wave in appearance are starting to develop new wave cooking, moving away from routine sauces and ingredients, or adapting and assembling them in different ways. One such is Tam-

arind, where Atul Kocher is modernising his menu in form and content.

Udit Sarkhel talks of going to a traditional miller in Gloucestershire and using an ancient form of wheat to make chapattis over an open flame on a cast-iron griddle. "That is how I think Indian cuisine should develop," he says, "by keeping the traditional forms of cooking and looking at the nature of the ingredients we use to make them."

He believes there is still a gap in the market which no Indian

chef has filled. He compares it to what Paul Bocuse did for French food when he popularised *nouvelle cuisine*. It's the next big thing for Indian food and the race is on to see who will win in this fiercely fought competition.

One of the front-runners is certainly Vineet Bhatia, who trained in Indian cuisine with the Oberoi hotel chain in Bombay and is now spending time with chefs such as Mark Hix of The Ivy and Giorgio Locatelli of Zafferano.

Bhatia believes there is much to learn from Europe in terms of

a more open approach to ingredients, thus releasing him from the shackles of authenticity. He is looking to present Indian dishes just as a European chef would.

While Bhatia innovates, others go to the regions of India. The three branches of Das Sreedharan's Rasa chain specialise in the cuisine of his native Kerala in south India. Dishes from this region are a revelation, far removed from curry houses.

The British ritual of chicken tikka masala on a Friday night still has a large following but is a

long way from the sort of cooking these new chefs are attempting. They provide a glimpse of where Indian cuisine can really go.

■ Sarkhel, 199 Replingham Road, London SW18 5LY. Tel: 0181-870 1483.

■ Vineet Bhatia, 291 King Street, London W6 9NH (0181-748 7345).

■ Café Spice Namaste, 16 Prescott Street, London E1 6AZ (0171-488 9242).

■ Tamarind, 20 Queen Street, London W1X 7PJ. (0171-629 3561).

■ Rasa, 6 Dering Street, London W1R 9AB (0171-629 1346).

## Making wine in the lap of gods

Renaissance wine is produced at Apollo. Where else but in California, asks a perplexed Kieran Cooke

– and a seemingly limitless supply of cash.

I met Paul Harvey, president of Renaissance, in the small village of Oregon House. "Wine production is only one aspect of our life," he said. "The whole property here, which we call Apollo, is a laboratory for the principles we study."

Apollo is run by a group called the Fellowship of Friends, founded in Carmel, California, in 1970. The group's philosophy is not easy to understand; it involves concepts termed self-remembering and the fourth way, and is based on the teachings of two turn-of-the-century Russian philosophers, George Gurdjieff and Peter Ouspensky.

"We reject the idea we are a cult," said Harvey, as we bumped along in his Jeep, past a guard post and into one of the finest vineyards I have seen.

Cypress trees lined the road winding through the neat terraces of vines. There was an olive grove. Statues surrounded an ornamental lake. A white neo-classical pavilion – the Apollo Academy – stood amid a delicately patterned rose garden. "Everything is full of the Gods," said the inscription beneath the portico.

Harvey, who spent 20

years on Wall Street before joining the Apollo project, said the fundamental belief of the fellowship was that man as he was presented to the world was not a complete being. Only by using various psychological tools and through the pressure of work and other activities was it possible to induce evolution. "Intense self-awareness, a positive outlook and a commitment to art and

The philosophy is not easy to understand; it involves self-remembering and the fourth way

high culture lead to a higher consciousness," says a fellowship brochure.

I had difficulty grappling with these ideas as we drove down the rutted roads of the estate. The Apollo project covers more than 1,200 acres; work on clearing the land began soon after the fellowship bought the property in the early 1970s.

Rocks were dynamited and 175,000 holes drilled and filled with compost before vines were planted. Wine

production, covering 355 acres, started in 1986. The area is hilly and encompasses several microclimates. As a result, more than a dozen varieties are produced under the Renaissance label, ranging from big reds to sweet dessert wines.

Output is relatively small by California standards – about 40,000 cases a year. The winery had a turnover of \$3m last year and is, according to Harvey, moving towards break-even point. "We have a system of tithes through which members contribute a certain percentage of their income. Apollo's development came about entirely from the Fellowship's own income stream."

The fellowship says it has 2,000 members worldwide, about 600 of whom, of various nationalities, work on the Apollo project. The community has its own school – "The Lewis Carroll" – and its own baseball team.

Over lunch and a tasting session at the winery restaurant I met Gideon Beinstock, the chief winemaker, who describes himself as a French Israeli.

"This is not an easy operation to understand or to run," said Beinstock. "We are all amateurs, without any formal training in the wine-making business. The



fellowship has certain rules – like no smoking or drugs. A member is asked to leave if he or she displays what we call excessive negativity. Negativity gets in the way of evolution. You must always try to be positive. That means I cannot shout or scream or criticise people. Sometimes it's frustrating."

Eliza Tudor is in charge of the arts programme at Apollo. Her voice is straight out of an English country house drawing room.

"Apollo is dedicated to preserving the classical traditions, and that includes both wine-making and the arts," she said. Up here, in what many would consider to be the back of beyond, the Apollo opera company is putting on *The Marriage of Figaro* while the theatre company is staging *Othello*.

I asked about adverse publicity the fellowship has received. Some former members have alleged they were subjected to brainwashing:

we came to the last stop on the tour – the Apollo Academy, which houses one of California's most prized art and antique collections and doubles as the home of "The Teacher". Burton was away in Europe, searching for artefacts. One of the tenets of the fellowship's teaching is the need for renewal and change. The academy's contents are regularly traded.

In the 1970s, Burton built up a valuable collection of 18th century porcelain and silver plate. After a while, this was sold off and a selection of Old Masters bought with the proceeds. Subsequently, the academy built up the world's largest collection of Ming dynasty furniture. In 1994, Burton and the fellowship abruptly sold off its Chinese antiques and turned instead to French and Italian decorative art.

"Burton must be immensely wealthy," I said as we drove past the guard post and out into the world. "He has nothing," replied Harvey. "Everything belongs to the fellowship."

It is all a little surreal. The fellowship's teachings and the source of its undoubted wealth, are still rather a mystery. Renaissance wines are far easier to appreciate and understand.

■ Renaissance Vineyard & Winery, POB 829, Apollo, Oregon House, CA 95962. Renaissance Wines are imported into the UK by Southern Wine Brands of Huddersfield. Tel: 01484-608388, fax 01484-608495.

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مكتبة الامم



# Opening up the gates in Oxbridge

Simon Targett describes efforts to encourage state students to enter the ancient universities

Oxford and Cambridge admit roughly half of their undergraduates from fee-paying independent schools: it is a statistic that embarrasses the universities because less than 10 per cent of Britain's children are educated privately.

Over the years, the two ancient universities have tried to correct this imbalance, notably by dropping the exclusive entrance examination, which was thought to play into the hands of private schools able to lay on extra tuition for their pupils.

In the last year, the universities, under pressure from a government running an education strategy for "the many, not the few", have taken further steps.

Oxford has sent out a recruitment video to every state school, while Cambridge has distributed glossy posters aimed at wooing pupils who had never thought once, never mind twice, about applying to one of its elite colleges.

But for Peter Lampi, a self-made millionaire who is behind the government's scheme to build bridges between the private and state sectors, this is all "just bootstrap stuff", which will not change the ratio of private to state school pupils with an MA (Oxon) or MA (Cantab) after their name.

It is for this reason that he is putting some of his personal fortune into a series of summer schools - located at Oxford and Cambridge, as well as Bristol and Nottingham, two top "redbrick" universities - so that bright pupils from comprehensive schools can get a taste of what it is like to go to a top-class British university.

Lampi, who made his money as founder and chairman of the Sutton Company, an investment and private equity firm, went to state schools in Reigate and Cheltenham before winning a place at Oxford in the 1960s.

After finishing his chemistry degree, he moved into management consultancy, travelling to the US and Europe with the Boston Consulting Group, and it was only when he returned to the UK in the mid-1980s that he discovered state school pupils were no longer dominating entry to Oxbridge, as they had in the late 1960s and early 1970s.

The change - a result of state schools switching to comprehensive status or, in the case of direct grant schools, joining the private sector - was alarming. Among other things, it meant that the universities were probably missing brilliant students from poor backgrounds.

"My best mate's dad was a bus conductor from the Rhonda Valley and it's frightening to think he might not get through the system today," the friend, whom Lampi chose not to name, is now a fellow of the Royal Society, a professor at Nottingham University and, according to Lampi, "nearly won a Nobel prize one day".

Lampi commissioned some research, and uncovered what he calls a "horrible statistic", highlighting the fact that the problem facing Oxford and Cambridge is not just the balance between private and state schools but also between selective and non-selective state schools.

"If you take out the kids from selective state schools," Lampi says, referring to grammar schools with the 11-plus test and



Peter Lampi: shocked that 'the number of kids that get to Oxford from what I would call genuine comprehensives is about 20 per cent'

Colin Brown

comprehensives such as the London Oratory, where Tony Blair stands his two sons, "then the number of kids that get to Oxford from what I would call genuine comprehensives is about 20 per cent".

That, he thinks, is shocking and a massive waste because the evidence is that talented pupils are being denied access to Britain's best universities.

Oxford might not have topped the Financial Times league table of top universities, published earlier this month, but it beats Cambridge in the international reputation stakes, according to Lampi.

"Oxford and Cambridge have

got an incredible worldwide reputation - particularly Oxford, because of the Rhodes scholarship," he says.

"If you get into Oxbridge, you're made in this country."

**'If Oxbridge reflected A-level performance, it should be at least two-thirds state and one-third private'**

He debunks the myth that state schools do not produce good enough candidates. "If Oxbridge reflected A-level performance, then it should be at least two-thirds state and one-third private," Lampi estimates, explain-

ing that 69 per cent of pupils achieving at least three A grades at A-level come from state schools.

So, given that state school pupils are good enough for Oxford and Cambridge the next

step is to persuade more pupils to apply - and his method of persuasion is the summer school, modelled on the recruitment system favoured by US "ivy league" universities.

At a summer school, sixth-formers spend a week at university students, going to tutorials and social events. Everything is paid for, including accommodation, meals, transport and tuition.

Two years ago, the Sutton Trust, Lampi's charitable foundation, funded an Oxford summer school for 60 pupils from state schools with no recent record of sending pupils for admission among the dreaming spires.

Of these, one-quarter entered Oxford as undergraduates last year. Boosted by this success, the trust doubled the number of places last year, and extended the initiative to Cambridge, Bristol and Nottingham. From this group, 31 per cent of Oxford

participants and 36 per cent of Cambridge participants have been offered places on the highly competitive undergraduate courses.

This year, there will be 250 places on the Oxford summer school, 120 at Cambridge, and 75 at Bristol and Nottingham.

Lampi would like to see the Oxford summer school provide for 1,000 pupils. "If that happened - and Harvard's summer school has about 1,500 - and let us say that around 30 per cent got in, that's 300 kids, and it's not just symbolic: you would be impacting on the whole university."

He knows, however, that there can be no overnight transformation - and partly because of this, his own children, still only infants, will be educated in the private sector.

"I'd like to send them to state schools, but my wife is having none of it," he says. "If you go to one of the top 100 independent day schools, which account for about 25 per cent of entrants to Oxbridge, your chances of getting to Oxbridge are about 100 times better than they are if you go to a comprehensive."

What would shake things up would be wholesale reform of the admissions system. Lampi would like to see Oxford and Cambridge follow the American system.

"Oxbridge does next to no recruitment," he says, especially compared with Harvard. There, at the oldest US university, some 60 full-time admissions officers are employed to look for good candidates. In Oxford and Cambridge there are just a handful of admissions people, plus academics in the colleges with part-time responsibility for admissions duties.

Lampi would welcome positive discrimination in the UK of the kind that is popular in the US.

"Harvard says, 'We'll take a kid from the inner city and they may have lower academic achievement, and we know he's not going to get as good a degree as a kid from a top private school, but he's going to go out into the world and he's going to make a huge difference'."

Lampi estimates that Oxford could spend just £1.5m to have a US-style system, adding that the sum "is not a lot when you think it is selecting the future leaders of society".

Until that happens, Lampi fears that Oxford and Cambridge will not witness any deep-rooted change in their students.

"I'm a meritocrat. I believe in genuine equality of opportunity, but I think we're a long way away from it in this country."

## Pollock blockbuster sparks adoring rush

Art academies expect a surge of applications from would-be artists for summer school courses, writes Simon Targett

Jackson Pollock's "Summertime" - one of the stars of the Tate Gallery's retrospective on the great American artist - has a splash of colour dancing across the canvas, as if to the sound of Ella Fitzgerald and Louis Armstrong.

It looks easy, like the "lvin" in the song, and because of this and the exhibition, Britain's top art academies are expecting a gold rush of would-be Pollocks for their summer schools this year.

The Pollock exhibition, together with the sell-out Monet exhibition which has just closed at the Royal Academy, have generated enormous interest, "stirring the soul and encouraging people to have a go," says Lucy Groat, of the Slade School of Fine Art.

Slade, part of University College London, one of Britain's top universities, is running its renowned summer school, which

features courses in painting, drawing and sculpture.

There is a 10-week "alternative foundation course", which costs a princely £2,500, or a series of two-week courses, costing £500 each.

Some, like the basic life drawing class, are open to all-comers, while others, especially the two-week master classes, which cost £750, require students to submit a portfolio.

But whether happy amateur or aspiring professional, the Slade expects a serious approach, and says what it offers is "education not recreation".

Another artist's drawcard, Central St Martin's College of Art

and Design, is offering more than 200 courses, including "drawing and painting for those who think they can't" which costs £295 for one week.

There is also a three-week experimental course, costing £555, which offers students "a chance to make mistakes, be destructive, and create".

Further out from central London, Wimbledon School of Art, which boasts a winner of the Turner prize among its past students, has one-week courses ranging from "still life" (£165) to "painting people" (£180).

Other art academies include Heatherley School of Fine Art, based in Chelsea and founded

more than 150 years ago, which is running one-week courses for just £115, and the Hampstead School of Art, which is holding several workshops for adults and children.

For budding critics, there are several summer schools specialising in the learned appreciation of fine art. The Courtauld Institute of Art, where the late Anthony Blunt taught while he was surveyor of the Queen's pictures, is hosting its fourth summer school, running such one-week courses as "Cezanne and the Primitive", "Raphael and the High Renaissance in Rome" and "Contemporary Art in Britain" -

each for a fee of £275.

The Victoria and Albert Museum is laying on a month-long course called "The History of the Visual Arts in the West", assuring students ready to pay the £450 fee that "no prior knowledge of art history is needed".

Just as the art summer school is set for a big revival this year, so too is the Shakespeare summer school. In the wake of the Oscar-winning film *Shakespeare in Love*, the Globe Theatre in Southwark is expecting more people to sign up for its summer programme of lectures and workshops.

Deborah Callan, co-ordinator of

the Globe's educational arm, says people are asking whether *Shakespeare in Love* was filmed at the theatre and whether the Globe is going to present *Romeo and Juliet*.

The courses vary from top-of-the-range weekend "public workshops", run by actor Mark Rylance - which cost £55 or £70, depending on whether a grounding or a gallery ticket to performances is thrown in - to 25-a-time "walkshops", which are actor-led tours around Southwark, dubbed "London's Elizabethan playground of pleasure".

Beyond the Globe, Redbridge Institute of Adult Education is

offering a one-day course called "Shakespeare in Love - Romeo and Juliet", while Tower Hamlets "summer university" has a "practical and non-academic look" at Shakespeare's plays through the eyes of top actors, including Peter Ellis, who stars in *The Bill*.

There are also summer classes for budding Joseph Fennels and Gwyneth Paltrows - the two leads in *Shakespeare in Love*. Mountview Arts Centre, in Wood Green, north London, a conservatoire for the performing arts, has three summer schools for actors. One, "acting for the screen", is a two-week, fast-track course, costing £550.

If all this sounds rather serious, then the Mary Ward Centre, an adult and community college near the British Museum, has the perfect antidote in a beginners' course called, with disarming frankness, the "Duffer's Guide to Art".

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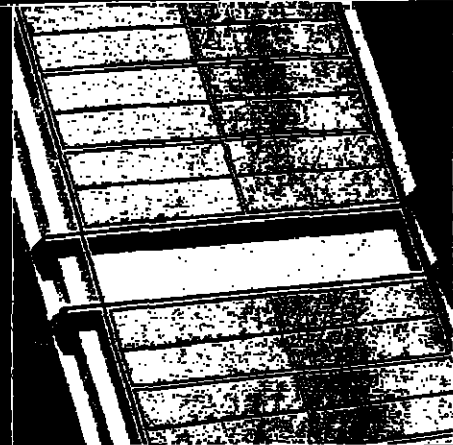
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**179 Bedroom apartment** 54300 sq.ft. £5,500,000

**180 Bedroom apartment** 54600 sq.ft. £5,530,000

**181 Bedroom apartment** 54900 sq.ft. £5,560,000

**182 Bedroom apartment** 55200 sq.ft. £5,590,000

**183 Bedroom apartment** 55500 sq.ft. £5,620,000

**184 Bedroom apartment** 55800 sq.ft. £5,650,000

**185 Bedroom apartment** 56100 sq.ft. £5,680,000

**186 Bedroom apartment** 56400 sq.ft. £5,710,000

**187 Bedroom apartment** 56700 sq.ft. £5,740,000

**188 Bedroom apartment** 57000 sq.ft. £5,770,000

**189 Bedroom apartment** 57300 sq.ft. £5,800,000

**190 Bedroom apartment** 57600 sq.ft. £5,830,000

**191 Bedroom apartment** 57900 sq.ft. £5,860,000

**192 Bedroom apartment** 58200 sq.ft. £5,890,000

**193 Bedroom apartment** 58500 sq.ft. £5,920,000

**194 Bedroom apartment** 58800 sq.ft. £5,950,000

**195 Bedroom apartment** 59100 sq.ft. £5,980,000

**196 Bedroom apartment** 59400 sq.ft. £6,010,000

**197 Bedroom apartment** 59700 sq.ft. £6,040,000

**198 Bedroom apartment** 60000 sq.ft. £6,070,000

**199 Bedroom apartment** 60300 sq.ft. £6,100,000

**200 Bedroom apartment** 60600 sq.ft. £6,130,000

**201 Bedroom apartment** 60900 sq.ft. £6,160,000

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**203 Bedroom apartment** 61500 sq.ft. £6,220,000

**204 Bedroom apartment** 61800 sq.ft. £6,250,000

**205 Bedroom apartment** 62100 sq.ft. £6,280,000

**206 Bedroom apartment** 62400 sq.ft. £6,310,000

**207 Bedroom apartment** 62700 sq.ft. £6,340,000

**208 Bedroom apartment** 63000 sq.ft. £6,370,000

**209 Bedroom apartment** 63300 sq.ft. £6,400,000

**210 Bedroom apartment** 63600 sq.ft. £6,430,000

**211 Bedroom apartment** 63900 sq.ft. £6,460,000

**212 Bedroom apartment** 64200 sq.ft. £6,490,000

**213 Bedroom apartment** 64500 sq.ft. £6,520,000

**214 Bedroom apartment** 64800 sq.ft. £6,550,000

**215 Bedroom apartment** 65100 sq.ft. £6,580,000

**216 Bedroom apartment** 65400 sq.ft. £6,610,000

**217 Bedroom apartment** 65700 sq.ft. £6,640,000

**218 Bedroom apartment** 66000 sq.ft. £6,670,000

**219 Bedroom apartment** 66300 sq.ft. £6,700,000

**220 Bedroom apartment** 66600 sq.ft. £6,730,000

**221 Bedroom apartment** 66900 sq.ft. £6,760,000

**222 Bedroom apartment** 67200 sq.ft. £6,790,000

**223 Bedroom apartment** 67500 sq.ft. £6,820,000

**224 Bedroom apartment** 67800 sq.ft. £6,850,000

**225 Bedroom apartment** 68100 sq.ft. £6,880,000

**226 Bedroom apartment** 68400 sq.ft. £6,910,000

**227 Bedroom apartment** 68700 sq.ft. £6,940,000

**228 Bedroom apartment** 69000 sq.ft. £6,970,000

**229 Bedroom apartment** 69300 sq.ft. £7,000,000

**230 Bedroom apartment** 69600 sq.ft. £7,030,000

**231 Bedroom apartment** 69900 sq.ft. £7,060,000

**232 Bedroom apartment** 70200 sq.ft. £7,090,000

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**234 Bedroom apartment** 70800 sq.ft. £7,150,000

**235 Bedroom apartment** 71100 sq.ft. £7,180,000

**236 Bedroom apartment** 71400 sq.ft. £7,210,000

**237 Bedroom apartment** 71700 sq.ft. £7,240,000

**238 Bedroom apartment** 72000 sq.ft. £7,270,000

**239 Bedroom apartment** 72300 sq.ft. £7,300,000

**240 Bedroom apartment** 72600 sq.ft. £7,330,000

**241 Bedroom apartment** 72900 sq.ft



PROPERTY / OUTDOORS



Happily adapted to modern housing: Douglas Chirside (left) and Michael Attwell, with Helen Mason, who found them their Notting Hill bargain

# A house-to-house collection

Anne Spackman talks to two trend-spotters who are buying a new home – but keeping the old one, too

Like many people approaching 50, Michael Attwell's experience of property ownership has been one of consistent money-making, punctuated by one loss earlier in the 1990s. He has a pension, but no clear idea of the quality of life it will bring him in 15 years.

That is precisely the combination of factors which is leading so many people to jump aboard the buy-to-let bandwagon. They feel more confident investing in the familiar world of property than in the intangible world of stocks and shares.

Michael Attwell and his partner, Douglas Chirside, felt exactly that. But instead of buying an investment property, they have chosen to "keep-to-let" instead.

It was only when he was preparing to sell his house to move to Notting Hill that it struck Attwell just how valuable an asset it was. A period house, just 20 years old, it had almost doubled in value since he bought it for £235,000 three years ago.

He mentioned this to his solicitor, who suggested he hold on to it as a rental investment, while buying the new property he wanted.

It turned out that the solicitor had adopted this policy throughout his life and was now the proud owner of more than a dozen homes. "I wish I had done it when I first started buying property 20 odd years ago," Attwell says.

The first potential hurdle to overcome was finance. Their existing lender did not offer buy-to-let mortgages, so they went to Woolwich Direct, which specialised in the business.

The Woolwich offered them a buy-to-let mortgage on their Chiswick house, based on its rental value, which allowed them to pay off the original mortgage on the property and have some cash left over to put towards the new one. It also offered them a normal mortgage on the new house they wanted to buy.

The one disadvantage of not selling the Chiswick house is that they cannot release the equity tied up in it. Anyone trading up to a more expensive house would find it difficult to make the sums work.

There was one other crucial element in the decision-making process. When the two men bought the Chis-

wick house they were very impressed with the local estate agent who found it for them, Helen Mason. When they decided to move to Notting Hill, they contacted Mason, who in the meantime had set up her own business, Mountgrange Agencies.

As Notting Hill is more expensive than Chiswick, the couple assumed they would have to trade down from a four-bedroom house to a two-bedroom flat. They asked Mason to find them somewhere with as much space as possible, modern or high-rise being acceptable.

A day later she had found them a very unusual modern house, with a steel spiral staircase at its core. With three bedrooms and two bathrooms, a garage and direct access to communal gardens, it was amazingly good value at £375,000.

The price is due mainly to the fact that it is a modern property in an area where

often the main motive for investing.)

Attwell was put off by the potential hassle involved. "I know about property, but I don't want to make it my prime business," he explains. "If two years down the line I have some spare cash, I might consider buying another property purely for investment purposes."

Chirside thought it risky to buy any property he would not wish to live in himself. He believes their very positive experiences in the property market – their Palm Springs house has trebled in value in a couple of years – is partly due to following their gut instincts.

Both men work primarily in the television industry, where Attwell is controller of features at Channel 5 and Chirside is a producer, as well as a novelist. "In the television business we always work at least 18 months ahead," Chirside points out. "We are professional predictors of trends."

Conversations with their friends and colleagues lead them to suspect that "keep-to-let" may be a trend for the future.

■ Mountgrange Agencies, tel: 0171-937 8007.

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## FISHING TOM FORT

### Angling for a better way to go

Although I am fond of fish, I do not wish, when I am gone, to be turned into food for them. True, a good many of them have been food for me. But the notion of reversing the roles strikes me as a touch creepy.

Yet it happens. Twice in the past few months I have come across reports that an old angler's dying wish – to have his ashes cast upon the waters beside his favourite spot – has been discharged by his nearest and dearest.

I wonder how they manage it. To scatter the ashes on the surface and set them drifting off downstream might well set off an unpleasant scene. I mean, we have enough trouble with swans. Who needs someone's mortal remains floating by as well?

You could, I suppose, mix them up with some groundbait to encourage them to sink. But I would have thought the procedure – blending it all together in a bucket and chucking it out – might be a little upsetting for the relatives, however fond the old chap may have been of his fishing.

One thing you can be sure of, though: the fish won't turn up their noses at it. However much they may have appreciated old Harry's regular appearances on the bank over the years, the tender way that, having caught them, he put them back in the water, finer feelings will not restrain them from gobbling up what's left of him.

It's going too far to say that fish will eat anything. I've never heard of one being caught on a cucumber, or a slice of Welsh rarebit (incidentally, I remember reading somewhere that pigs can eat anything except the leaves of rhubarb – including, on occasions, pig farmers down to the soles of their Wellington boots). And indeed some species are extremely, not to say annoyingly, picky in their dietary habits.

The pike is not one of them. There is a story in one of the old books of a tyrant pike clamping its jaws on the fat end of a croquet mallet and being dragged ashore. I wouldn't actually recommend a croquet mallet as a lure, but the fish's reputation for voracity is not entirely based on myth.

I have, for instance, seen a photograph of two pike of identical size, both dead, the head of one lodged down the gullet of the other. And, although wilder tales of pike attacking boats, snapping the legs of swimming dogs and dragging swans under are undoubtedly fanciful,

pike will certainly scoff waterfowl, rats, mice – anything bite-sized incautious enough to pass by.

The placid chub is supreme in omnivorousness. The biggest I caught, nearly 6lb, took a massive sprat intended for pike. The lists of baits recommended by the authorities of the past encompass items as various as frogs, crayfish, cherries, blackberries, slugs, caterpillars, mice.

In his wonderfully evocative account of olden days, *My Fishing Ways and Fishing Days*, the great J.W. Martin ("The Trent Otter") swears by bullock's pith – its spinal cord – for hookbait, and bullock's brains, tied up in calico, boiled for an hour, then minced, for ground bait. I haven't tried it – I wonder how the butcher would respond to a request for bullock's spinal cords. Nor could I face the thought of sticking a frog on a hook.

But I have used a sensationally successful chub bait which I have never seen mentioned in any book. It was an immense grub, off-white with a yellowish head, which my brothers and I found in considerable quantities in a rotten tree stump in our garden. We made two or three spectacular catches with them, without having any idea what they were, until the few remaining specimens began to turn black and display signs of growing pinworms. They were stag beetle larvae.

I still make a habit of kicking sickly looking tree stumps in the hope of uncovering another community of this delightful creature. But on the whole, I am conservative in my use of baits. I like dead fish, sprats or baby trout, for pike; maggots, bread, luncheon meat and worms for the rest. Most of these you can buy, but the best worms, which are the big jobworms, you must obtain for yourself.

In autumn and winter, this means digging for them, which is hard work. But come summer nights, if your grass is wet, they will disappear themselves by the hundreds in the moisture. With a torch, and the swift deployment of thumb and forefinger, you may collect as many as you need. Make a home for them in a big, well-drained container filled with earth and vegetable matter, place it in a cool, shady spot, hang a sign saying "Wormery" on it, and they will thrive for months.

## GARDENING ROBIN LANE FOX

### It's as plane as the magnolia on the hillside

Last week's frost browned the magnolias in England. After six years, I have yet to see a fully opened spring flower on the magnolias in the Cotswolds. So I have just been to look at places where these lovely shrubs have been grown successfully for more than 100 years.

In Cornwall, the holy site for these shrubs from south-east Asia is Caerhays Castle, near Falmouth. It was here that collected seed arrived from Chinese shrubs from 1903 onwards, brought by the great collector, E.H. (Chinese) Wilson. Then and now, the huge property of Caer-

hays has been in the Williams family, who continue to garden it valiantly. Since the 1990s, Caerhays has operated a unique partnership with the gold medal-winning Burncoose Nurseries which is run by the next Williams in the line.

The family name is immortalised in the best hybrid camellias and the lovely low-growing Rhododendron Williamsianum, which was always exempt from my former prejudice against rhododendrons.

Caerhays' present owner, Julian Williams, met me by the castle door, pointed out the original parents of

Camellia Williamsii beside his front door, and set off at a steady pace to the over-looking hillside where we could see the predictable blobs of rose-red – some of the more vivid members of his rhododendron heritage.

How surprising, I thought to myself at ground level, that they planted so much plane trees in such a favoured place. We were beginning to climb the main hill and my host asked me what I thought of the view in front of us. I have almost no clue about rare rhododendrons, but there was a lowish white-flowered variety in the foreground

and I presumed it was one named after Veitch.

I had set my sights embarrassingly low. As I began to advance on it, with the family expert beside me, I was obliged to bluff. Julian Williams looked up to the sky and pointed with his stick. At a height of more than 50ft, an amazing canopy of white-flowered Chinese Magnolia veitchii was spread out against the blue sky, above one of the tree trunks which I had so ignorantly assumed to belong to plane trees.

You and I are familiar with magnolias of great age at heights of 20ft in our gardens. Here was a great canopy of rare and unsurpassable varieties, tall enough to hold their own among the plane trees in Berkeley Square in central London. They are nearly 100 years old and, in my view, they should be canonised and made honorary sitting members of the new House of Lords. I have never seen more humbling and inspiring sight in nature.

Caerhays is still surrounded by hillsides containing original despatches from the first wave of collectors. Unlike Trewithen, its beautiful neighbour, it could not be landscaped round a single, select axis because it had to be the primary site for housing and growing on the Chinese introductions. The conditions are wonderfully receptive in most respects for the time-hating, frost-averse members of the great families. The one disadvantage is the proximity of a magical stretch of coastline and consequent exposure to savage gales. In 1990, a fearful hurricane ruined the upper shelter-belt and

massacred about a quarter of Caerhays' plantings, though more than enough survived.

Williams reminds us that up to about March 20 is prime time for the magnolia season and recommends an early visit. Anyone who thinks they can combine the best of garden visiting with the summer months of seaside life is seriously mistaken.

Gale force winds provide opportunities for land-owners with a long view and gardeners with a strong nerve. The need for a fresh start has given scope to Charles Williams, Caerhays' partner in the nearby Burncoose Nurseries. He and his father have used the aftermath of the great storms to replant with an even greater range of rarities, stronger, perhaps, on more recent hybrids than on the original, imported species.

Now that the debris has disappeared, the upper part of the garden promises yet another dimension, fit company for the lower plantings round the house with their truly awesome connections to two great collectors, Wilson and George Forrest, whose original imports are still flourishing.

Charles Williams worked until 1987 as a merchant banker with Lazard's, but now heads an operation which has gone for growth in every sense of the term. Caerhays garden is a constant support for exhibits, rarities and material for propagation. He has presided over the consolidation of the trade in rare shrubs in Cornwall and his indispensable expert, David Knuckey, worked for years with the

former nursery of Treseders of Truro.

Spectators can never be sure what lies behind a prize-winning exhibit at a London flower show. I was amazed by the acreage of supporting tunnels, planting beds and display which underpins Burncoose, the only remaining specialist exhibitor of rhododendrons at RHS shows. The high points of the list are not yet as big as mature plane trees but they are shrubs which any serious owner of a lime-free garden should buy for future generations.

Burncoose is the main supplier of the wonderful hybrid magnolias raised in the family gardens at Caerhays, particularly the rich pink Magnolia Caerhays Surprise which flowers at a young age and is sensationally



Caerhays has examples of the dreamy yellow-flowered magnolias

## LUCY'S PLOT

### Marauders that cost you deer

This is the beginning of the second year for my new garden. Last year only counts as practice; this year it's for real.

I had no idea that starting a garden would be such an attention-grabbing activity. I don't mean friends turning up to view or great aunts ringing up with advice, nor the planning office writing to complain about my potting shed; it's the eyes of the animal kingdom that are fixed on my little patch. Experience has shown me the extraordinary scale of fortifications needed to grow just a row or two of lettuces and a few roses.

Rabbits aren't gentlemen. Cute as you like, I must admit, but they've no sense

of restraint. I'm only too happy for Peter to have a little go at the corner of a lettuce – flattened, in fact, and I'm sure he'll enjoy it more than many who will have the pleasure later on. I know the lawn could be improved by a tiny trim, but it's take, take, take with rabbits.

To keep the rabbits out netting has to be dug into the ground; and it has to be high enough so they can't climb over the top should they build up on the rabbits' side of the fence. The tiniest space can admit a baby which then expands, feasting on the fruits of my labours, until it's too fat to leave, even if it wanted to. There are two of these characters under my hut now.

Deer, however, have some finer feelings; they like to admire a young tree, to watch its tender leaves unfold. Like me, they glow when they see handsome new shoots establish themselves. Then they bite off the main stem at about 3ft high and strip the whole thing. To keep deer off, you can hang up a pair of tights filled with lion dung.

If you like.

Stags are missing their ranks, too. They, I find, are boozey old buffers. They only require a decent bar in the form of a margarita carton with some beer in it and they prefer to congregate there. A quiet party but evidently a jolly one.

Lucy Ogilvie-Grant

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beautiful. Burncoose also has a limited stock of the dreamy yellow-flowered magnolias, the best of which were bred in the Brooklyn Botanic Gardens in New York. Magnolias of this class will just cost you £50 to £55 each, but I have seen the sort of specimens which the nursery sends out and can assure you they are not a foot high little twig.

Some garden-owners still like to profess a hostility to rhododendrons. The trouble is that they have not seen enough of them. They muddle them up with those excessively vibrant forms of azalea in vivid shades of carmine or they think instead of the uncontrolled mauve and red varieties which threaten to take over the region round Ascot in the home counties.

A visit to this great pair of Cornish gardens would dispel any such prejudices. Pale pinks, yellows and whites are at their entrancing best. Every great grower trembles slightly at the prospect of the lovely cream-yellow flowered Rhododendron sino-grande, the variety with sensationally large leaves.

Not only will Burncoose sell you a big one for only £18.50, but the fine gardens which run beyond the nursery round the second of the Williams family properties have several specimens in full, bewitching flower. They are not the size of plane trees, but they are so unbelievably distinct and beautiful that they are instantly recognisable, even to those of us who have just mistaken a great magnolia for a sycamore.



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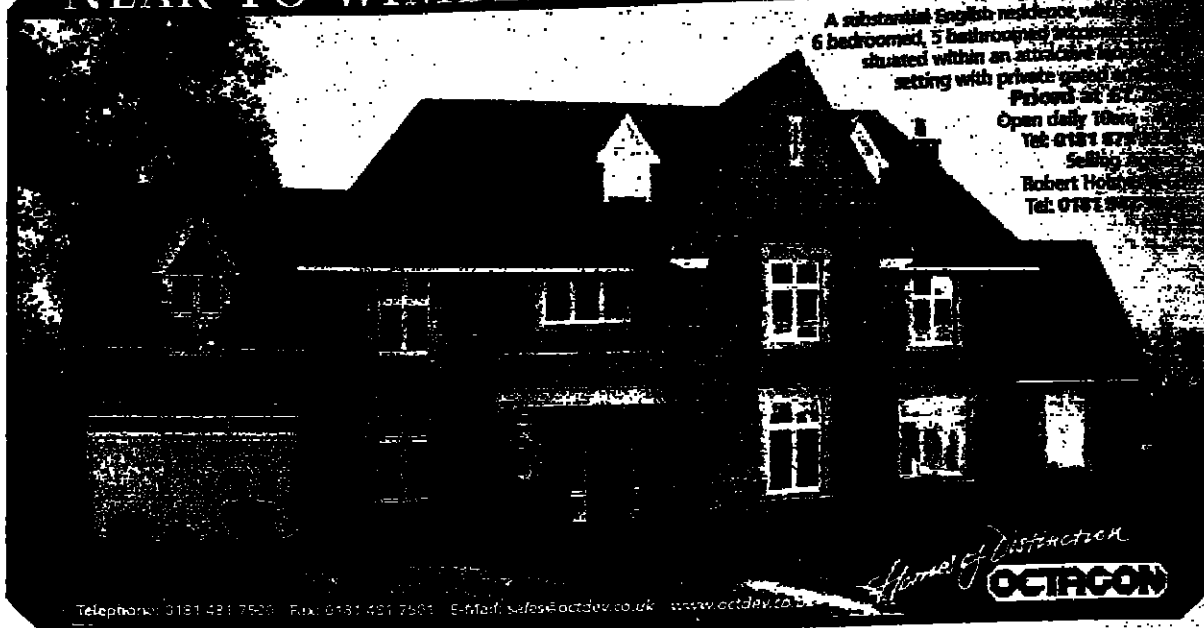


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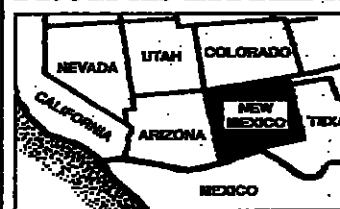
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سكناوات العرب







## ENGLAND'S GLORY

**Christopher McCooley follows the signs and discovers 650 years of history at Ightham Mote**

Before it was bequeathed to the National Trust in 1985, Ightham Mote was a private house, open to the public one afternoon a week during the summer months. The challenge for visitors was not so much to get the right day but to find it. It is tucked away down narrow country lanes in the depths of the Weald.

Now it is looked after by the nation, for the nation it is so much easier to get to... just follow the signs. And it is a find in both senses of the word. Many consider it the loveliest and most complete mediæval and Tudor moated manor house in Britain.

Part of the building has been dated to the first half of the 14th century by dendrochronology (a technique for dating timbers by its growth rings). But there may have been an earlier building on the site, as the word "Mote" may be derived from the Anglo-Saxon word "mot", meaning "meeting place for local elders".

Lightham Mote, in Kent, is the product of 650 years of building and rebuilding and we should rejoice that it escaped fire, storm, war and - according to local legend - being knocked about by Cromwell's soldiers. Apparently, they lost their way in the Wealden woods and looted a lesser house instead.

The site was chosen because a stream provided protection and a source of food. The narrow valley was dammed above the building to provide a stew pond for rearing fish, and then a moat was dug - the stream providing a constant supply so the water was always clear.

A second pond below the house received the overflow. The water

surrounding the house was probably designed to keep out robbers, rather than invaders.

The lower part of the tower on the north front is thought to be the oldest part of the building, along with the Great Hall across the courtyard. Two medieval contrivances survive in the tower: the first is a right-angled slit in the stonework within the gate, which allowed a letter to be passed to the gatekeeper or an identification to be shouted to him before admission was granted.

The second is an oubliette. Although built for a more brutal age, this mini-dungeon reached by a trapdoor was considered as a possible holding cell for a German pilot who parachuted into the gardens after being shot down in the second world war. In fact, he was held overnight in the crypt, watched over by the local Home Guard.

The mossy, cobbled courtyard enclosed by the four wings of the building is both secure and secluded. Dovecotes and wooden benches give it an intimate feeling.

**Robinson had fallen in love with a picture of Ightham as a young man and years later, on a cycling tour, came upon it and recognised it as his dream house**

The house was bought more than 100 years ago by Sir Thomas Colyer-Fergusson, who carried out much repair and restoration work after it had been largely neglected during the 300 years it had been occupied by the Selby

family. The family coat of arms has been restored and can be seen over the nail-studded oak door of the gatehouse.

Just before Sir Thomas bought Ightham, a senior American

with a picture of Ightham  
ter, on a cycling tour,  
it as his dream house

army officer had rented the Mote for a decade. General William Jackson Palmer, the founder of Colorado Springs (the popular Rocky Mountain resort), used to entertain his many friends in this quintessential English manor

house each time he visited the UK.

After centuries of rural slumber under the otherwise worthy Selbys - who provided local MPs and high sheriffs of Kent - the

A second American made his mark on the property half a century later. In 1951, the Colyer-Fergusson family line was about to die out and the property was put up for sale.

There was a suggestion that it

might be divided into flats or used for other purposes - it was, after all, a privately owned building and in those days it did not matter that it was of historic importance.

At the last moment, a group of local men stepped in to save Igham Mote – a farmer, a builder and a chemist raised the necessary £5,500 to buy the freehold. They hoped someone else would buy from them the building that was crying out for tender loving care. For two years, although it had been made weather-proof, the building stood empty. Then in 1953 Charles Henry Robinson of Portland, Maine, saw it advertised in a back copy of Country Life.

He already knew the house. He

had fallen in love with it as a young man when he saw a picture of it in the window of a London art dealer's shop, and a few years later, on a bicycle tour of southern England, he came upon it and recognised it as his dream house.

Decades passed. He inherited a large sum of money and built up a profitable stationery business.

When he saw the advertisement, he came at once to England and made an offer which was accepted. Travelling home on the Queen Mary, he had second thoughts. Crazy romantic extravagance came to mind. He wrote a letter withdrawing the offer, but never posted it.

Robinson bought Ightham Mote

and made urgent repairs. In 1965

he announced that he would bequeath the property to the National Trust and endow it with £68,000, believing that the property was of enduring historic and architectural significance.

Aged 93, Robinson died in 1985, and his ashes were interred, as he had requested, just outside the crypt with a tablet recording his name and his affection for the place. The trust took possession that same year and has spent hundreds of thousands of pounds in restoration and refurbishment of one of England's outstanding gems.

■ **Ightham Mote, Ivy Hatch, Sevenoaks, Kent** tel: 01733-310373 fax 01732-811029. Open from April 1 to October 31. Entrance £4.50 for adults.



Christopher McGowan

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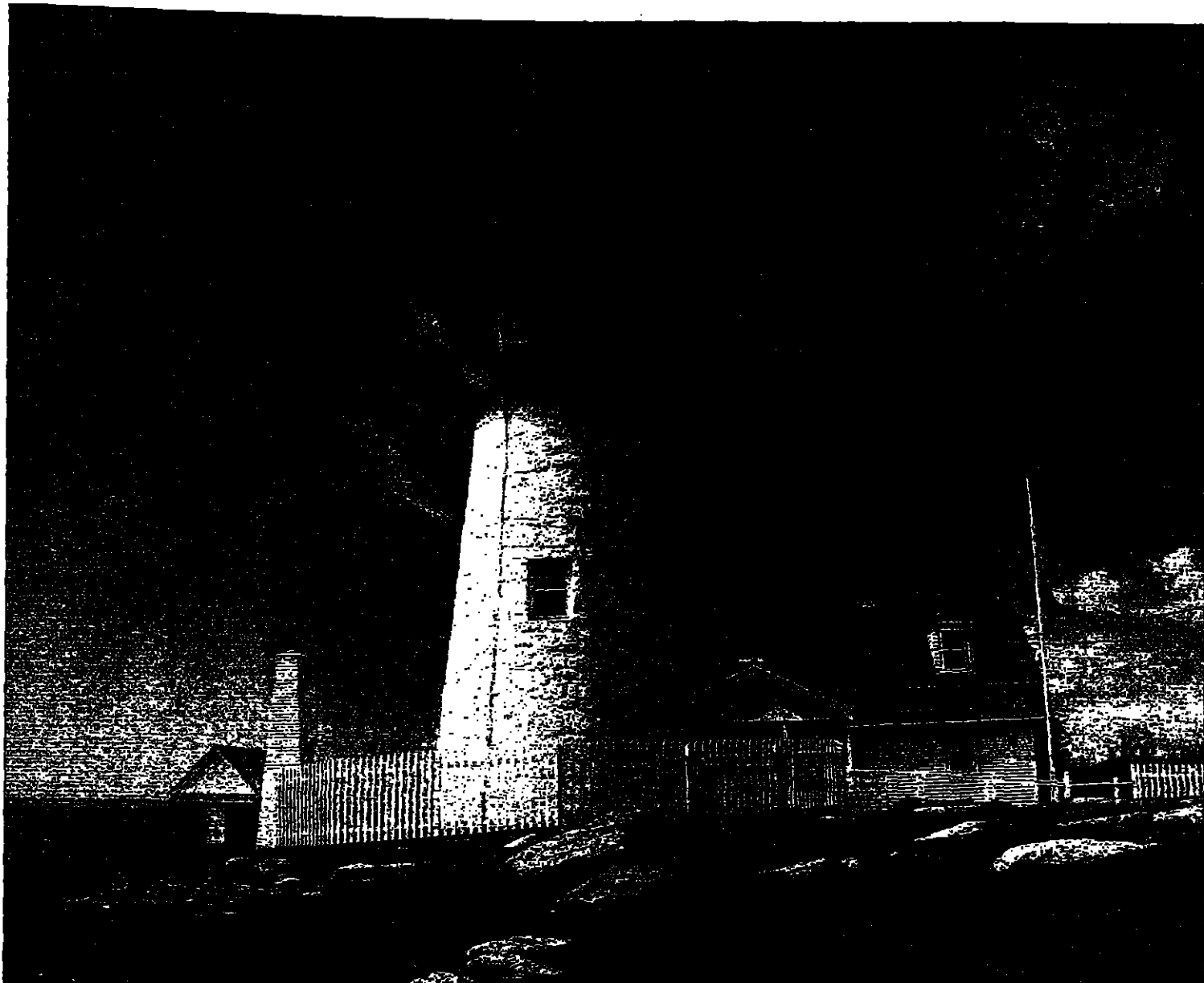
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**FINANCIAL TIMES**



TRAVEL



Coast of Maine: This cold sea and the rocky bottom produce the finest lobster in the world. You can't beat 'em'

# Lobster is the Maine meal

Nick Haslam acquires a taste for getting lost among strange coves, connecting causeways and friendly fisherfolk

The coast of Maine is just 230 miles long as the crow flies, but don't be fooled. The deeply serrated seaboard of the largest New England state has 3,000 miles of shoreline with wooded islands, hidden coves and inlets stretching far inland.

On a perfect summer Sunday morning, I had driven out of Blue Hill, a small village of pretty clapboard houses about halfway down the Maine seaboard from the Canadian border.

My destination was Stonington, described in the guide book as a typical lobster fishing port lying at the end of a series of islands connected by causeways.

I drove across a fine old suspension bridge by the bright blue Eggemogin Reach, where a schooner lay becalmed, and pulled in at a white timber church. A crowd of people in their Sunday best had gathered. In the shade of the steeple, a kilted bagpipe player sat on a low wall, wrestling with pipes which gurgled plaintively.

"Darn things," he said as I came up to him. "They always give trouble when they get near a church." He paused briefly to put me on the right road and then, pipes restored, led the procession of worshippers into the porch.

I drove on over a causeway to Deer Isle and after winding through rolling pasture and woods came down to the village of Stonington, where timber cottages stood above a small harbour lined with jetties and derricks.

Moored alongside the wall in the bright sunshine was an open lobster boat with a fisherman working on the traps stacked high in the stern. "Not fishing today?" I asked conversationally.

"Nope, no fishing on Sundays 'til after Labor day," he replied and went back to his work. I had been warned that the fishermen of Maine

are not exactly profligate with words, so having gleaned at least that piece of information, I thought it prudent to press on.

At the southernmost end of Deer Isle lies Barred Island, a nature preserve accessible only on foot at low tide. A path led through woods of lichen-covered spruce and fir, to a strand of white pebbles.

All ideas of having a swim were quickly abandoned, for the sea was freezing, and never, even in summer, gets much above 56°F (10°C).

Pulling on a sweater despite the strong sun, I walked out along the strand to the island. A shrill skirling cry came from the trees, where two ospreys hovered above a large

British accent. "Keep on down the road and you can't miss it. Cheerio!"

Thirty minutes later, discovering I had been sent more than 10 miles in the wrong direction, I figured that one Englishman too many had asked him the way that summer. What goes around, comes around, I thought irritably, and headed home for an excellent consolation supper of lobster at the Blue Hill Inn.

Next day, in the clear light of early morning, I drove east along the coast bound for Christmas Cove, 100 miles down Route One, the winding interstate highway which follows the entire eastern seaboard of the US.

For a day I dawdled through some

where brightly painted floats marked the lobster traps.

For the next half hour, Bob and his assistant Skip worked smoothly on the confined deck deftly hooking up traps, and removing the catch; they baited and then returned the thick meshed crate to the sea. On a good day they might harvest more than 100 lobsters, but today the pickings were lean. Bob, in his 50s, showed me one large crustacean and flipped back the tail carefully to show clumps of tiny black eggs. "This is a sponge tail," he said, and dropped it back into the water. "We're not allowed to harvest females so as to protect the stock."

Seeing the many hundreds of floats dotted on the surface of the sea, it was easy to understand how over-fishing could threaten lobster numbers. Bob, shouting above the noise of the engine, told me that fishermen in Maine were struggling because the price of lobster had reached new lows thanks to imports from Canada.

"But," he said, not without pride, "this cold sea and the rocky bottom produce the finest lobster in the world. You can't beat 'em."

We motored back into Christmas Cove, where Bob wanted to load more traps. Wishing them goodbye, I dropped off at the jetty, picked up a lobster roll from the Cove-side, and drove slowly out towards Route One. Savouring the succulent meat, I had to admit that Blanchard was right, for this lobster had to be one of the best I had ever tasted.

Nick Haslam's visit was organised by the Discover New England Information Service, tel: 01733-743777; +1 802 838 3237 in the US. He flew with Iceland Air (tel: 0171-388 5399) to Boston, flights from £359 return plus taxes. He stayed one night in Boston at the Midtown Hotel, tel: +1 617-262 1000. Hire car by Thrifty, tel: 01494-751 600 worldwide.

## A man's a man for all that tartan teaching

Giles MacDonogh dons a kilt, crunches a haggis and sinks a whisky or four as he prepares for independence by learning how to be Scottish

With all this talk of independence, the thought occurred to me recently that my bannocks might be better buttered in Scotland than in an ailing, decadent England.

But how would a half-Irish, half-continental European mongrel fit in with the idiosyncrasies of the north? As it happened, the Roxburgh Hotel in the Borders was running courses, so I put myself to the test.

I flew to Edinburgh. A fierce wind blew off the Firth of Forth and up through the New Town; it was accompanied by flurries of snow and sleet relieved by showers of torrential rain. This was perfect training.

I dropped into a bookshop on Princes Street to acquire a volume of Burns and dipped into it that night at the Dubh Prais restaurant in the Old Town.

I was prepared for dinner. There was our friend the haggis which Burns thought such great shakes, and so greatly superior to those foreign ragouts or fricassees which he thought would make a sow sick. It was followed by excellent beef, and sticky toffee pudding.

There was wine with dinner, but it gave way to a whisky tasting. Here I might have gained full marks as a Scotsman, as I recognised the first three. Only the fourth stumped me and that was the Calchou, the duke's bottling, and a rare novelty.

After a night sleeping it off in a room partly heated by the logs in the grate, it was my turn to hurl a real caber in the company of a Scots giant in kilt and T-shirt. He disabused me. I had thought that tossing logs was something invented by lumberjacks, but no; when the Scottish kings robbed the volatile Highlanders of their claymores, they opted to prove their strength with anything which came to hand - bowls of porridge, clumps of heather, rocks and tree trunks.

The trick is to "flip" the caber, and land it at 12 o'clock. I was a failure. I concluded that an anthropoid ape, particularly a gorilla, would have the best physique for the job, and that was all the consolation I needed. We went inside where Archie Hume, the local Kelso tailor, had been brought in to fit me up in a kilt.

Not feeling as keen as your average Hiram P. McKlopotock, I put up resistance. Hume managed to dissipate this a little by showing me a County Clare tartan. The Irish have remained true to the territorial idea.

Originally there were fewer than half a dozen in Scotland, with colour variations dictated by the availability of natural dyes. Then everyone went bananas in the last century. Now some families can choose from half a dozen different patterns, and if the Lord Lyon approves, every McTom, McDick or McHarry can have one.

So I was decked out in MacLeod formal wear: frilly shirt, dickie bow tie, waistcoat with shiny buttons (bottom one undone), bum-freezer jacket, white socks with tartan flashes, skean dhu, black brogues - the works. As I sat down I wondered whether Scotsmen received any training on how to get out of cars or cross their legs. Our token Scotswoman said no: "Boys don't care."

We broke for lunch, then we were joined by Alistair Ferguson who was going to teach me shooting and fishing. We yacked a rod and shotgun and I was led out to a turbid pool, allegedly stocked with rainbow trout. It felt like an age as I slid up and down the muddy bank while the snow blew up my nostrils and my hands turned new and interesting shades of blue. Ferguson praised my gathering technique, but the trout were not taken in. They stayed snug in their weeds, clearly convinced it was a sassenach on the other end of the fly.

It was time to shoot the haggis. Or clay pigeon, if you insist. Ferguson didn't like my posture and kept muttering about bayonets and ballet while I endeavoured to keep the barrel of a .243B gun in the air. I knocked the stuffing out of a brace, and shattered a clay rabbit, but clearly my Caldonian credentials will need time yet.

Over tea Ferguson took pity on me and arranged to send round a woodcock for my dinner. That and a bottle of burgundy went a long way to restore my national pride.

I should not give up hope. Burns himself said as much. "Now a' is done than man can do, And a' is done in vain: My love and Native Land fareweel, For I maun cross the main, my dear, For I maun cross the main."

Giles MacDonogh's course costs £170 a weekend. For the next opportunity, tel: 01573-450331.



blow. I got a pronounced nasal drone, but was unable to elicit anything resembling a tune.

I was prepared for dinner. There was our friend the haggis which Burns thought such great shakes, and so greatly superior to those foreign ragouts or fricassees which he thought would make a sow sick. It was followed by excellent beef, and sticky toffee pudding.

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RYANAIR, the European low fares airline, has announced sale fares of £29.99 (single ticket) to any of its 30 European destinations across seven countries. From Monday April 26 until Thursday June 17, 1m seats will be available. The special offer includes Ryanair's four new routes to Biarritz, Dinard, Frankfurt and Genoa. The Genoa flights will be launched on May 20. Reservations on 0541-569569.

MARTIN RANDALL Travel, British specialist cultural tour operator, is planning its own week-long music festival in Venice this

### UPDATE

## Ryanair £29.99 ticket sale

November. Top performers of renaissance and baroque music, select venues (St Mark's cathedral among them), and just 300 participants, so the concerts are virtually private events. Cost from £1,690 (tel: +44 0181-742 3355 for details).

CYBERBREAKS: Put the kids on the information superhighway on a one-week school holiday break at Camp Beaumont (tel: 0171-

922 1234) in Staffordshire or Norfolk. As well as swimming, fencing and abseiling, they'll try out computer animation, setting up an internet home page or filming a documentary.

ART OF THE MATTER: Rafael, luxury hotelier and art patron, has published his annual Seven Cities, a lushly illustrated guide to this year's opera performances and art exhibitions in New York, Miami, Bermuda, London, Paris, Baden-Baden, Düsseldorf, Munich, Salzburg and Geneva. Free to hotel guests - and to FT readers (tel: 0171-727 2225).

CUP OF GOOD HOPE: Racing for the America's

Cup, yachting's oldest, begins in Auckland late this year. Tallor Made Travel (tel: 01386-712050) will build an itinerary around the challenger series, starting from £289 (plus flights) for three nights, including an excursion to the race area; or ask them about seeing the defence early next year.

EUROLOGY: Yes, we take euros, says Hertz rental cars, which has just won the contract to supply British Airways Holidays customers in Europe, Australia and South Africa.

GREAT ESCAPE: For those who can take only a few days away for adventure holidays, Explore Worldwide (tel: 01252-760100) offers 22 short breaks which provide a chance to climb Kilimanjaro, trek in Georgia, sail the Nile, and be back at your desk before anyone notices. Sooner be at sea? P & O introduces four- and seven-night cruise holidays to European ports; call 0990-728726 for brochures.

MISS YOUR Q: Alton Towers theme park this year extends its "virtual queue" system - when queues get too long on its Nemesis and Oblivion rides, you pick up timed tickets and can go off and enjoy yourself (tel: 0830-204060 for information).

ALL OUT: Can Be Done (tel: 0181-907 2400) specialises in holidays for people with disabilities, or just the less agile. Destinations for 1999 include London and Amsterdam, Turkey, Disneyland Paris, US and even Thailand. Managing director Jackie Scott uses a wheelchair herself, and knows the problems.

HOLIDAY FLINGS: The La Tomatina festa in Buñol, Valencia province, takes place on the last Wednesday in August; thousands pelt each other with ripe tomatoes provided by the council. Jersey's Battle of Flowers takes place, more sedately, on August 12.

BLUE GUIDES: Four for the price of three, and you don't have to buy the books all at once. For small print tel: 0171-243 0946.

John Westbrook

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## TRAVEL

# Ups and downs of a Bombay day

Adam Hopkins on his love affair with a dense and bustling city – recently renamed Mumbai – where people still come in the hope of better things

In the days of old colonial India, you could stand on the steps of the Asiatic Society building in Bombay and look straight down the road in front of you clear across the peninsula on which the original city stands.

The inquiring eye would travel past the Flora Fountain – “designed by a committee,” sniffed the critics 100 years ago, though she looks quite full of femininity today – and on again across the shining waters of Back Bay to where the governor's bungalow can be discerned as a distant flash of white on dark green Malabar Point.

Plenty has changed since then, apart from the implosion of an empire. Bombay has recently become Mumbai – officially at least – and the trees have grown so high, the city so dense and busy, it would never occur to you this place once afforded a wonderful view.

I love Bombay. Despite the vast entanglement of slums, despite the gangster wars so eagerly reported in the Indian press, Bombay is a city of people who have come there in the hope of better things. And they aren't always disappointed. It has its ups and downs. Some say it's on a down today.

But goodness, how it buzzes even so, from the point of land where King George V came ashore in 1911 – later equipped with a monumental “gate” the size of a cathedral – to the nearby skyscrapers of get-rich-quick Nariman Point, the modern financial hub.

And all the way up the peninsula past the Towers of Silence where the Parsees expose their dead to the vultures, past supposedly glamorous Juhu Beach, not to mention the throbbing studios of Bollywood, and on and on to the bustle of the new suburbs. It's a city that makes and remakes itself for each eventuality and grows by leaps and bounds at every stage.

But stick around for a while at

## Information

Adam Hopkins travelled independently, flying Air France via Paris. Tickets available via Brightways (tel 0181-621 8888), economy return £438. His ground arrangements, made by Cox and Kings (tel 0171-673 5000), included a stay in the new wing of the Oberoi, with magnificent river-style views over Back Bay from many rooms, including Marine Drive, Chattrapati Beach and Malabar Point. Use of car, driver and guide would cost £80 a day for independent travellers. The company's 10-day Southern Trader tour, costing from £1,995 a person, includes Mumbai.

The walk described here would take about an hour – or a day, depending. Carrying on due north, the walker will find more entertainment: the municipal Crawford Market (and in it a fountain designed by Rudyard Kipling's father, gaudily painted by the market authorities to the despair of city conservationists. The art school run by Kipling Sr is also on the route). Beyond again comes a clothes market, then gold and silver markets, culminating in the hurdy-gurdy brilliance of the Mumbai Temple, buried in the lanes. Some say it gave its name to Bombay/Mumbai. Others believe the name comes from the Portuguese Bom Bahia or Good Bay.

Best books (available only in India): ‘Bombay: The Cities Within’, a large work by Sharada Dwivedi and Rahit Mehrotra. India Book House, about 1,500 rupees; and the more modest ‘Fort Walks’, by the same authors, Eminence Designs, 395 rupees, covers the area touched on in this article.

the base of the peninsula that was originally a chain of islands – come on a stroll, perhaps, from the steps of the Asiatic Society – and discover a vast array of interesting finds still to be uncovered.

Start the walk in the lush gardens of Horniman Circle, a genuine circle as elegant as anything in Bath. Here, in the arcaded side streets, families live on the pavement, mothers calling the children home to an evening meal brewed up on primus stoves. It remains extraordinary to the visitor that a family can stick together under such circumstances, with the father going off to work as neatly dressed as if he lived with all mod cons beneath a roof.

Beyond the Circle comes the oldest European building in Bombay, St Thomas's cathedral, built over 100 years from 1718, its Gothic tower diminishing storey by storey towards four final, tidily pinnacles.

Ashoka trees, trimmed slim as

larches but sacred to Hindus in any form, grow in the cathedral precincts. Within the church itself, the empire has its say in a permanent exhibition of tombs, most beautifully carved.

Here is Lt George Harris Dickinson of the engineer corps whose end “was occasioned by exposure to the sun while carry-

**You wouldn't have thought they could do it in the land of the sacred cow, but there it is – McDonald's – with Vegetable Burgers instead of Big Macs**

ing into execution with characteristic zeal the works upon which he was employed”. He made it to just 20 years of age.

And here, too, is Lt Col Campbell whose bravery extorted “an involuntary eulogy” from “the inexorable Sultan” (sic) whom he was fighting, before he perished “under the hardships experienced, in the discharge of his

duty to His King And Country”. And this at the age of 33. For a change of mood take a step or two along Viceroy Road, 200 yards to the Flora Fountain. You will find here banyan trees and fruit stalls set out in the shade beneath the glossy foliage. Businessmen and women, mostly in European clothes,

many dramatically handsome, gather brown paper bags of fruit as they hurry along to their appointments.

Beyond and to your left when you reach Flora, you could carry on and over into the area of grand, official high Victorian, with the soaring tower of the university and the more castle-like construction of the Law Courts.



What's the buzz? the gate of India from the Strand rooftops



and the McAlloo Tikki Burger Happy Meal, all of which have engaged the pens of the city's sardonic newspaper columnists.

“Has it improved your life?” I ask a lean young man in jeans emerging from the door.

“I don't know about life,” he says, pondering, “but my stomach certainly likes it.”

Diagonally across the traffic of the open space which follows, there rises the grandest building in all Mumbai, the Victoria Terminus, known as VT, hub of the Indian railway system – a vast domed temple, hugely dignified but seething with statues and gargoyles, filigree stonework, arabesques and Saracenic arches.

Each day VT, and nearby Churchgate Station, witness an extraordinary display.

At about 11.30 each morning, there arrive by train hundreds of thousands of what look like multi milk churns full of stacking pans, each churn marked with an impenetrable code, all of them containing home-cooked meals.

Collected by food porters or dhobawallahs from private homes throughout the residential suburbs, they are brought down into town by one set of porters, sorted at VT or Churchgate, by hand and eye, without the benefit of computers.

Then they are repacked on trolleys and distributed, often with intermediate resorting on to lesser trolleys, pit-pat pit-pat, all over the city, by other gangs of barefoot porters, to every office, shop and place of business; no working person, anywhere, should go without their very own chapatis, dal or curry.

It's things like this, involving manual labour and mathematics, speed, ingenuity, sheer unexpectedness, that speak of the true India and true Mumbai – as well, of course, as the thoroughly modern McAlloo Tikki Burger.

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TRAVEL

# Palatial remnants of the Raj

Joe Rogaly discovers roots of imperial empire alive and occupied amid the grandeur of Calcutta

If you are serious about visiting India, put Calcutta on your itinerary. Dash around with determination, and you will see the oldest remains of the nearly forgotten British empire. It will be a sojourn relatively free of the tiresome importuning of popular tourist sites. The experience is as evocative of historical roots as any trudge around Roman or Greek ruins. The difference is that these much younger remnants are still standing. Thumping imperial buildings, set in prodigiously landscaped gardens, are accompanied by mighty barracks and houses of government.

That the latter constitute the seat of West Bengal's Communist administration adds to the grandeur of the tour. You quickly learn, from any Bengali intellectual, that the ministry is pragmatic, the economy mixed.

Today's figurehead governor occupies the 200-year-old Government House, built for Lord Wellesley by Charles Wyatt. The architect mimicked a magnificent British stately home, Kedleston Hall in Derbyshire.

A century later, Lord Curzon, the grandest of viceroys, occupied both - his family seat and the Calcutta copy. Today, it is known as the Raj Bhavan. You peer through the gates, across the gardens, at the huge porticoed portico in the braggadocio-classical style of the late 18th century.

It is at once grand, noble, pretentious and arrogant. As a certain Lord Valentia wrote, mocking the East India Company that had initiated the British presence on the sub-continent: "I wish India to be ruled from a palace, not from a counting-house." Pal-

aces in Madras, Lucknow and Hyderabad followed.

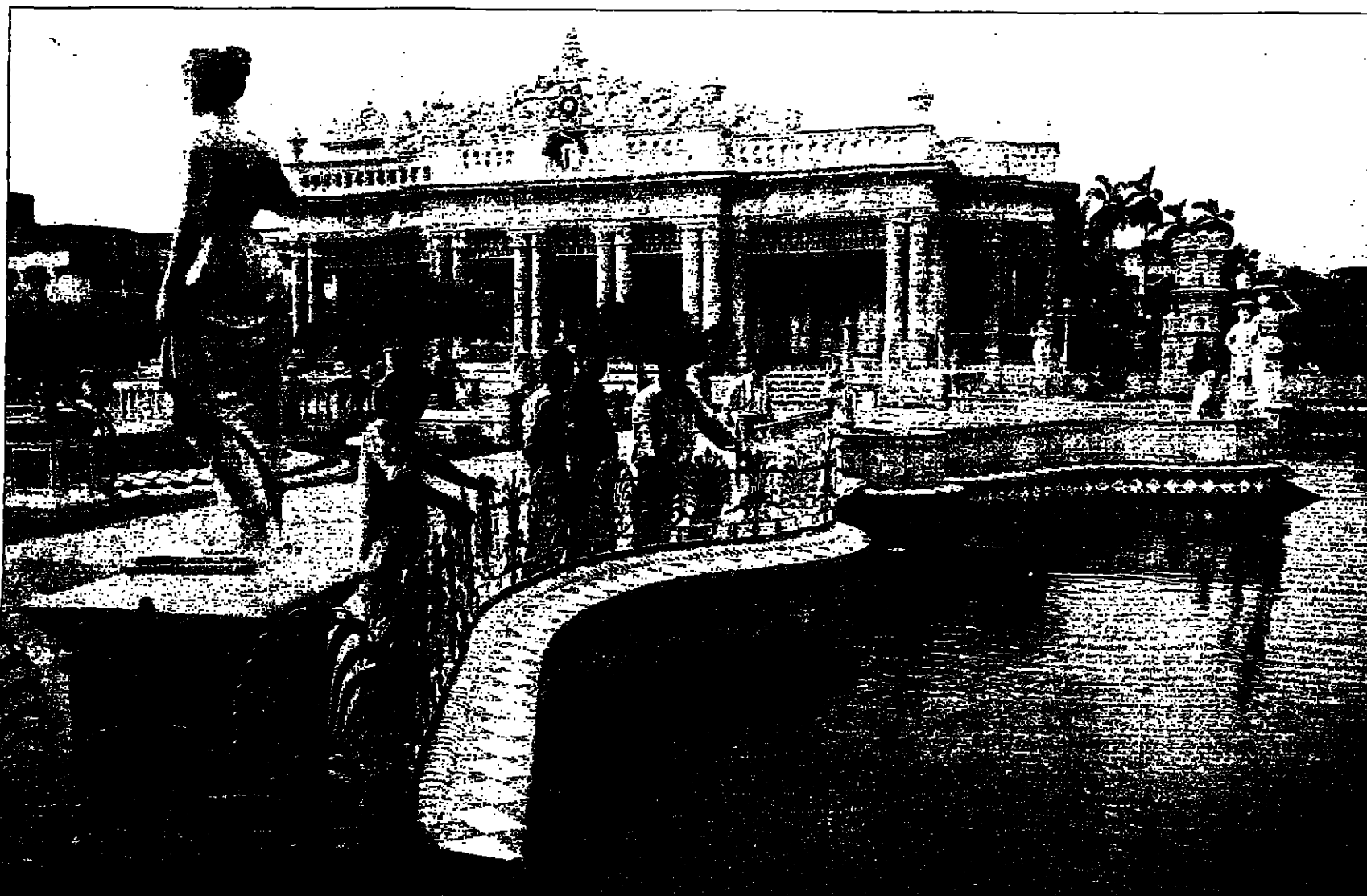
If you do not speak Bengali, get your guide to ask the driver to cruise slowly past the Writers Building, designed by engineers and erected in 1780. Today, we are told, its huge red brick expanse accommodates multitudes of civil servants, serried ranks of clerks, successive filing cabinet barricades.

The Victorians favoured Gothic structures - such as St Paul's Cathedral, built in 1839, and the imposing High Court, opened 40 years later. There are plenty of these in Calcutta.

You can attend services in St Paul's. The one we visited was packed. It looked familiar, save for the bare feet and sandals visible below the hems of the cassocks. Memorials are set in the walls. You will need an extra half-day to savour such finds.

"Not near this stone," reads one, "nor in any consecrated ground, but on the extreme frontier of the British Indian Empire" lie the remains of two young men "treacherously deserted by the Sikh escort..." and attacked by the garrison they had been sent to command. India paid dearly for the fort's uprising. "The annexation of the Punjab to the British Raj was the result of the war of which their insurrection was the commencement," says the inscription.

Reminders of the presence of that Raj are scattered around the city like the coins and oil lamps on Graeco-Roman sites. We came across one in an unlikely spot, the Jain temple. It was built by Rai Badridas Bahadur, a wealthy man, jeweller to the governor. Today, his graven image sits under a magnificent cupola,



Though the Jain temple was built by Rai Badridas Bahadur, a wealthy man and jeweller to the governor, its floor contained a Victorian tile

plump and beatific, looking directly into his memorial, his house of prayer. His pose is that of a seated Bengali notable, right leg bent to reach under left knee.

Follow the line of sight and you see through the palatial frontage, studded with artefacts, into the holy chamber and on to an ornate alcove in which sits a resplendent idol, ankles crossed, hands relaxed in the lap. To non-Jain eyes the white stone figure resembles a Buddha. Were it not for the moustache on the face of Rai Badridas Bahadur you would have difficulty telling which was the object of worship and which of veneration.

The floors of the temple are paved with intricate patterns of tiles. It was here that we lit on our find, a tin square last seen around the fireplace of a London terrace house built in the 1890s. It was a common purchase

by speculative builders of the time.

Some Victorian relics are larger, like the clanking tramways, laid down after 1870. Some are nurtured by a special bureaucracy, part of the municipality of Calcutta. It recently listed 200

"Let us have a building, stately, spacious, monumental and grand, to which every newcomer in Calcutta will turn."

It was to be a history lesson in stone, an affirmation of the presence of the mighty Raj. The edifice was completed in

But we are in Calcutta and we must inspect the runner-up. Take a fleeting glance at the marble statue of the young Victoria by Thomas Brock. You can hardly miss it; it stands in the central hall.

Glide selectively round the large oil paintings in the galleries; you are in the presence of an important collection of works by European artists active in India between 1780 and 1830.

Reserve the most time for the drawings and watercolours made during years of early growth of the city. They show the river, trading vessels arriving, traders and other personages, the new imperial buildings marching along the river banks. "An entire village of palaces," according to Lord Valentia.

The collection includes works by Daniell, Zoffany and other distinguished artists of the time. An

Indo-British trust set out to clean and treat everything on display, plus further works in store. Its endeavours proceed at a frustrating pace.

The queue at the ticket booth at the entrance to the memorial contains few foreign faces, many Calcutta couples on an outing. Beyond the gates, in the heat, the real Bengal goes about its business.

In 1911, George V announced the transfer of the capital of British India to the specially constructed New Delhi. As we know, Lutyens designed the government complex in that great city as a statement of imperial rule.

It seems a long time ago. On the way home we read that Mother Teresa may be canonised in time for the millennium.

Travel arrangements were made by Greaves Travel, tel: 0171-487-5637, fax 0171-935-3439.

TRAVEL

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## SPORT / MOTORING

**Jurek Martin marks the retirement of the greatest ice hockey player of all time, the stylish and incomparable Wayne Gretzky**

It was a pretty fancy farewell for a slender 38-year-old guy with No 99 on his back and his shirt-tail hanging out on one side.

Madison Square Garden rocked, the New York Times gave him equal billing with the war in Kosovo, even down to an editorial, and Michael Jordan called in. In Canada, where he was born, a prime minister led a nation in appreciation.

Going out with an affectionate bang must be the dream of every great sportsman, and Wayne Gretzky deserved it. It so happens there are two other American household sporting names, John Elway and Cal Ripken Jr, both also just short of 40, to whom last Sunday's celebrations must have held more than passing interest.

But first to Gretzky, the best player ice hockey has seen. He holds every offensive record of consequence, most by huge margins, including 894 regular-season goals, 93 more than Gordie Howe, a Canadian predecessor, and 1,963 assists (that is, passes to set up goals by others), 851 more than Paul Coffey.

Only one other player, Mario Lemieux in 1989, came within sniffing distance of 200 points in a season, whereas "The Great One" - Gretzky's universal sobriquet - managed it four times.

More than the numbers, he did it with style. Neither big nor especially fast, Gretzky's art was to be able to see everything that was happening on the ice, in front, alongside and even behind him, half a second before anybody else.

His vision could make average team-mates better and the good ones exceptional. When his supporting cast was right, responding to his baton, as it was with the Edmonton Oilers from 1983 to 1989, his orchestra made sublime music.

Often ice hockey's noises have been discordant. At one level the sport has been commercially successful, and now has teams in the Sunbelt, far removed from the game's frozen northern roots.

But it has never quite broken through as a leading television sport, which is where the big money lies, mostly because the fast-moving puck is too difficult to follow, except in slow motion replay.

Ice hockey has also experienced times when the thugs seemed to rule the ice and when the fans came to arenas, it seemed, principally to see fists flying. The influx of fast-skating talent from Scandinavia and the former Soviet bloc has taken some of the needless violence out of the game, but it always threatens to return.

Gretzky, however, floated above all this for 20 years. Like Bobby Charlton in soccer, he was hardly ever penalised and never retaliated. He was joyous in victory and polite in defeat, a rink-rat to the last, enjoying the company of team-mates. He never complained that his side for the last three years, the New York Rangers, was simply not good enough to provide him with a final championship.

But here is the interesting thing. In retiring, Gretzky never conceded that his skills had declined to the point where he could no longer play effectively. After all, he was named most valuable player in last season's



One of the boys Wayne Gretzky with New York Rangers team-mates at his last practice session

Paul Chinn/AP

## ICE HOCKEY

## Great One skates into immortality

All-Star game. He merely said he had decided it was time to go.

Occasionally, superstars exit. Gretzky did, with a final game. Everybody knew in 1948 that it was Don Bradman's final cricket Test (he was out for nought), and in 1961 that it was the last at-bat for the "Boston slugger", Ted Williams (who hit a home run). But they were the exceptions.

Most stars go out in the relative quiet of an off-season, either after trying to play long after their skills have deteriorated, as with the incomparable Willie Mays in baseball, or sometimes when they are still on top.

Nobody knew definitively in advance, for example, that Mich-

ael Jordan's championship-winning shot would prove his last basket, or that Sandy Koufax would simply stop pitching at the age of 30 when he was easily the best in the game.

Which brings us to Elway and Ripken. Elway is in the public eye, selling cars and meeting visiting Chinese prime ministers, but what all Denver wants to know is if their Bronco quarterback will be back to try for a third straight Super Bowl - something Elway is considering in private.

The Ripken case is more poignant because it is being played out for all to see. The iron man of baseball, who did not miss a game for nearly 18 years,

saw his father die a week before the season opened and now, obviously in pain with a bad back, can neither hit nor field the ball. Last Tuesday, he was placed on the disabled list for the first time.

Logically, neither Elway nor Ripken needs to keep playing, unless driven by another goal - a third title for Elway, 3,000 hits for Ripken. Both would be inundated with offers to move into coaching and management, especially Ripken, whose Baltimore Orioles are in a sorry state.

But letting go, and knowing when to go, is never easy. As Gretzky implied, nothing beats the smell of the grease paint or roar of the crowd.

## TENNIS

## Time for some serious modelling on clay

John Barrett reports on British efforts to improve youngsters' all-surface skills

He looked prosperous as he slid from behind the wheel of his Rolls-Royce to shake hands with us. Nicola Pietrangeli, carrying his 65 years lightly, was on his way to join Prince Albert at the annual ATP Tour Awards Gala at Monte Carlo's Sporting Club, the occasion when the players honour their own.

One of the backs being scratched this year was that of the absent Pete Sampras, Player of the Year for the sixth time, a record. I wondered how Pietrangeli felt watching the video of a rather inadequate speech of acceptance by Sampras, whose tally of major successes still lacks a French championship, a title the Italian won twice, in 1969 and 1990.

No more artistic a player than Pietrangeli has ever graced the courts, and his three victories in Monte Carlo in the 1960s bring back very happy memories.

Yet the young gladiators in action at the Republic National Bank Open in Monte Carlo this week paint on a rather different canvas. They all play with muscular power and relentless aggression, largely from the back of the court. The game on clay has certainly changed, but why?

First, the equipment. Rackets have altered out of all recognition since the 1970s, and the balls are now more varied than they used to be. Aluminium and steel were the first materials to replace wooden rackets; now it is graphite, boron and titanium. The effect of these lighter, stronger materials has been to expand the range of shots players can produce. Easier to wield and much more powerful, today's larger-headed rackets encourage fast serving and fierce groundstrokes, heavy with wristy spin.

Grips have moved from traditional eastern to western and semi-western. Forehands are hit with an open stance, while many backhands are two-handed. Because it is tough to volley against these fierce drives, players stay back and hit outright winners from the baseline.

Over the past 45 years, and with one or two notable exceptions, British men failed to acquire the necessary clay court skills because they spent too little time as juniors competing on the surface. Britain's women, though, have enjoyed outstanding success.

The problem facing British men is one which Patrice Hage-lauer, the British Lawn Tennis Association's new development officer, is determined to solve.

"We must have more practise and competition on clay among the younger age groups - boys under 11 to under 14," he says. "You have to acquire the necessary technical, tactical and mental skills at a young age so that they become instinctive."

He is absolutely right. Watching Tim Henman in action this week as he was beaten 6-7 6-4 7-5 by Fernando Meligeni of Brazil, it was apparent the British No 1 was still not quite sure how to play the crucial points. Although this was probably the best clay court match Henman has played, it was Meligeni who instinctively came up with the right shots during the tense closing stages.

As Henman said afterwards: "I

know my game on clay is hundreds of times better than it has been, but I can still be a little impatient. You just can't take reckless risks."

For most of the match it was an admirable performance with courageous recoveries in the first and third sets. Henman showed much improved technical competence from the back of the court: patience in some long, fierce rallies; quick movement; and the confidence to wait for the right moment to attack.

His volleying coups, too, were well timed and usually successful. Yet there is always the suspicion that in the crunch he will fail simply because he is still operating at the conscious level, not the instinctive one.

The Dunlop Fort ball in use at Monte Carlo did not help Henman's natural serve and volley

**"You have to acquire the technical, tactical and mental skills at a young age so they are instinctive"**

game, either. "It's the same ball they used in Barcelona. It's very, very heavy," said Henman. "Fingers crossed for a couple of lighter balls in the next few weeks."

He will have his wish at the Italian Open in Rome and at the World Team Cup in Düsseldorf. At both events the French Open's Roland Garros ball, slightly smaller and much faster through the air, will be used.

In losing 6-2 6-2 to Jiri Novak this week, British No 2 Greg Rusedski also looked ill at ease on clay. Like Henman he suffers from lack of experience on this surface during his formative years.

What is the LTA doing to

Never believe what you read in newspapers, especially on the sports pages. Until recently, when Arsenal were beaten by Manchester United in the semi-finals of the FA Cup, my 1998-99 soccer bets had been shaping up well. I had stood to win some really big bonuses. Perhaps I still will.

But I could have saved myself some anguish if I had covered my FA Cup stakes on Arsenal with an insurance bet on Manchester United at the quarter-final stage when, quite surprisingly, the odds against the Manchester club winning the FA Cup were briefly pushed out to an abnormally generous 5-1.

The only reason United's odds were 5-1 at that stage was because the soccer writers had decided the club was no longer really trying to win the FA Cup. Allegedly, manager Alex Ferguson was concentrating on winning the European Cup and the English league competitions, and did not want to risk injury to players by maintaining too broad a front.

In other words, claimed the scribes, United were most unlikely to reach the FA Cup semi-finals. Surprisingly for someone of my sophistication, I fell for this theory, and did not invest a cent on them at 5-1.

Older and wiser, I made no such mistake this week when Bayern Munich entertained Dynamo Kiev in the second leg

improve the situation? So far there are only eight European clay courts in Britain, plus another 119 of the American type which is slightly faster but resists frost better.

The argument has always been that the British climate makes European clay courts impractical, with a season only a few weeks longer than grass. But why not convert some of our existing indoor centres (there are 44 now open and 10 more in the pipeline) to French clay? Indeed, why not build new indoor clay court centres?

Philip Sandilands, the LTA's director of facilities, sees this as a top priority. "We plan to build an additional 250 clay courts over the next five years, some of them indoors," he says. "The West Hants Club has been completely redeveloped as our leading clay court centre for tournaments. The new Gosling Stadium at Welwyn Garden City will have four indoor clay courts and others are planned at county centres and centres of excellence."

These developments, excellent as they are, will take time. In the meantime, why not buy a club in the Barcelona area where there are always many international players passing through, and make it the LTA's training HQ for leading players?

The skills needed to win on clay are fundamental to success on any surface, as Henman reminded us this week. "Look at the way the Spanish guys have come up. I think it's much easier to adjust your game from playing on clay to play the quicker surfaces, rather than the other way."

This will be music to Hage-lauer's ears. "We must develop a competitive structure on clay so that we get greater numbers of juniors who understand instinctively how to win on the surface," he says.

Let us hope someone up there is listening.

## HOW TO PUNT IT

of their European Cup semi-final, having drawn 3-3 in the first leg.

Since last September I have backed Bayern to win the European Cup at various prices, starting at 16-1. By Wednesday morning, the day of their second match against Dynamo Kiev, they were as short as 13-8 favourites to win the cup. Juventus were 7-4, Manchester United 3-1 and Kiev - surprisingly, in view of their talent, poignantly and hunger for success on the wider European stage - were out with the washing, at 8-1.

So as not to have my fingers burnt a second time, I put a lengthy saver-bet on Dynamo Kiev at those odds. I thus approached Wednesday night's match in a state of ebullience, almost hysteria, for I was guaranteed an eventual European Cup profit of satisfactory dimensions - whether Bayern or Kiev reached the final.

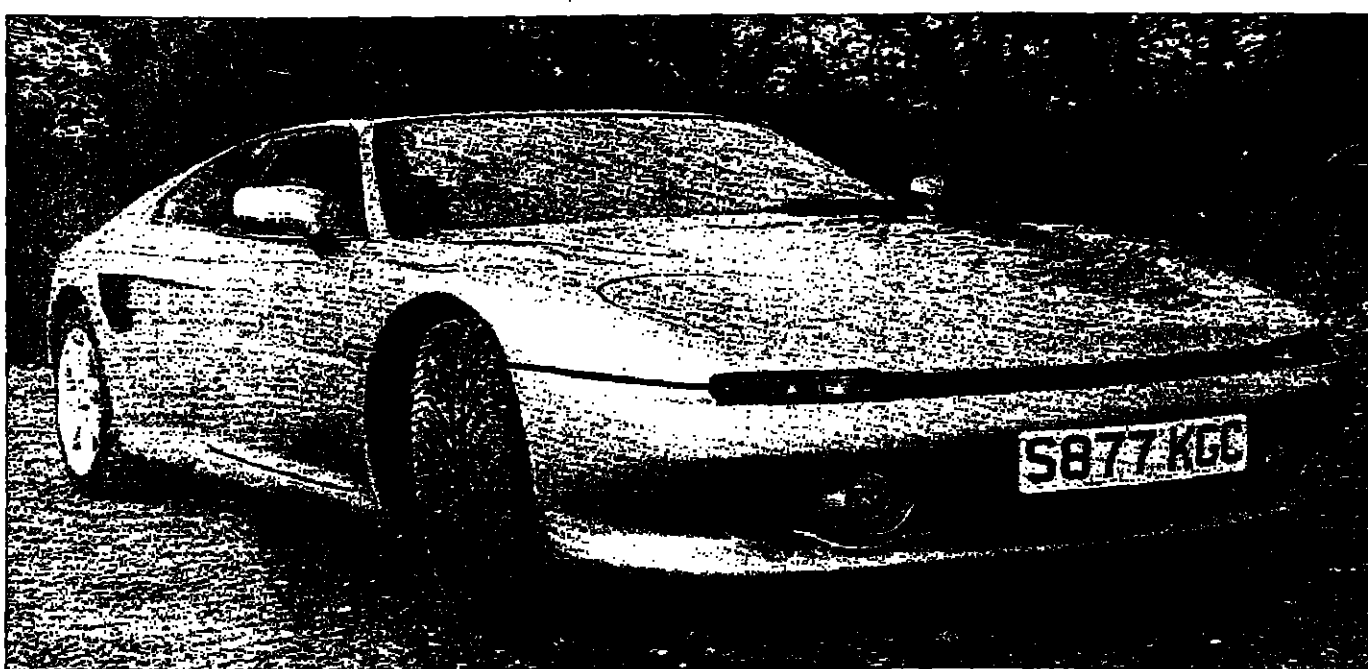
Curiously, among big UK bookmaking firms the best odds in mid-week against Manchester United winning all three competitions (European Cup, FA Cup and English Premiership) were the same as those quoted against Dynamo Kiev winning the European Cup alone: 8-1 at Coral. Other bookies were quoting as little as 6½-1 against the Manchester side winning the treble. Rotten value, or what?

Michael Thompson-Noel

## MOTORING

## This one should impress the Loaded set

Even though it has some disconcerting foibles, Ivor Williams enjoys the power, polish and exclusivity of a French supercar



Venturi Atlantique: looks not dissimilar to a Ferrari, high-quality construction and plenty of power for Formula One aspirants

Ivor Williams

Stone-coloured leather dominates the cabin, which is light and airy. You feel cosseted and important - which is probably as it should be, having parted with more than £80,000 for the turbo-charged model.

The point is you are paying for exclusivity. You are individual in this car; the company, based in Nantes, makes only 150 cars a year. You can specify mid-grey, black, burgundy, cream or dark blue for the interior. There are 12 standard colours.

The white-faced, retro-look instruments are easy to read and glow eerie orange at night. However, I had to translate the speedometer's kilometres into miles per hour.

While the driving position suited me well, the seat may be too low for some drivers. The steering wheel is not adjustable.

The seats hugged me well, but a four-point harness would have held me steadier than the standard inertia reel set-up. And the big handbrake lever is too close to the driver - it might have been better mounted on the other side of the transmission tunnel.

The remote release for the boot, accessible only with the door open, is near the driver's right elbow. The engine compartment release - the slatted aluminium engine cover slides up

hydraulically - lives in the front boot. Another neat touch: the petrol cap is covered by an almost invisible flush flap to the corner of the rear offside window.

Despite the Venturi's foibles, most notably axle tramp and soft brake pedal action, there are no real rough edges on this car. The body is of an advanced composite and aluminium construction bonded to a wonderfully stiff steel chassis.

The Venturi is also put together extremely well. The quality of construction is truly classy, (again as you would expect in a car of this cost).

The company describes the Venturi as a "two-seater sports GT. It's practical - you could use it every day. It doesn't feel enormous on the road, it doesn't intimidate you. We see it as a sports car with touring capabilities."

I agree. The Venturi does not intimidate you and will thrill you once you have made its acquaintance.

That said it is a moot point whether its undoubted supercar cachet makes it worth the extra you would have to pay compared with models in the TVR range (the new Tuscan Speed Six with similar performance costs around £38,000) or the Chevrolet Corvette, a far cheaper and extremely enticing alternative.

■ Venturi Concessionaires are at 36-38 Queen's Gate Place Mans, London, SW7 5BQ. Tel: 0171-581 0038

Close attention No 1282: 1 K2 K2 2 K2+ K2 3 K4 K4+ K2+ 4 K2+ K2 5 K2 K2 6 K2 K2

مكتبة الامير



## What's on around the world

### AMSTERDAM

**DANCE**  
Het Muziektheater  
Tel: 31-20-551 8911  
La La La Human Steps: the Canadian dance company in "Salt", Apr 26, 27, 29

**EXHIBITIONS**  
Rijksmuseum  
Tel: 31-20-673 2121  
The Floating World: Japanese scroll paintings from the Kumamoto Museum of Art to Jun 13

**Stedelijk Museum**  
Tel: 31-20-5732911  
www.stedelijk.nl  
David Salle: major survey of the New York-based contemporary artist, comprising around 40 canvases and featuring the multimedia diptychs and triptychs that made his name in the 1980s; from Apr 24 to Jun 13, then touring

**OPERA**  
Netherlands Opera, Het Muziektheater  
Tel: 31-20-551 8911  
Otello: by Verdi. Conducted by Carlo Rizzi in a staging by Klaus Michael Grüber, with a cast led by Vladimir Bogachov; Apr 25, 28

### BALTIMORE

**OPERA**  
Baltimore Opera Company, Lyric Opera House  
Tel: 1-410-625 1600  
www.baltimoreopera.com  
Andrea Chenier: by Gioacchino Rossini. Conducted by Marco Armiliato in a staging by Bernard Uzan; Apr 24, 25, 28, 30

### BARCELONA

**EXHIBITION**  
Museu Picasso  
Tel: 34-3-319 6310  
Rouai Dufy 1877-1953: retrospective bringing together 150 works including paintings, drawings, prints, ceramics and fabrics, loaned by public and private collections worldwide. The show concludes with a display at the Museu Tèxtil i d'Indumentària, which focuses on the artist's relationship with the textile industry of Lyon; from Apr 30 to Jul 11

### BEIJING

**DANCE**  
Exhibition Centre Theatre  
● The Royal Ballet, the British company presents a Gala Programme, with the Orchestra of the National Ballet of China conducted by Andrea Quirke; Apr 28, 29  
● The Royal Ballet: Romeo and Juliet, in Kenneth MacMillan's staging with designs by Nicholas Georgiadis. With the Orchestra of the National Ballet of China conducted by Andrea Quirke; Apr 30

### BERLIN

**EXHIBITION**  
Neue Nationalgalerie  
Tel: 49-30-2660  
Max Ernst (1891-1976): retrospective of the German Surrealist; to May 30, then transferring to Munich

### BONN

**EXHIBITIONS**  
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland  
Tel: 49-228-917 1200  
www.kah-bonn.de  
● Composition on the table: interactive musical installation by Toshio Iwai; to Jun 12  
● Museu Nacional de Arte Antiga, Lisbon: series latest in the museum's "Great Collections" series leads visitors through seven centuries of Portuguese art and history. The 200 works on display include paintings, sculptures and drawings, as well as objects made in Portugal's porcelain factories and gold workshops; to Jul 11

### CHICAGO

**CONCERT**  
Orchestra Hall  
Tel: 1-312-294-3000  
www.chicagosymphony.org  
NKH Symphony Orchestra: conducted by Charles Dutoit in works by Gubaidulina, Stravinsky and Prokofiev, with violin soloist Sarah Chang; Apr 27

**EXHIBITION**  
Chicago Cultural Center  
Tel: 1-312-744 8630  
Landmarks of New York and Chicago: display of 150 photographs, celebrating some of the most important buildings in both cities; to May 30

### COPENHAGEN

**EXHIBITIONS**  
Louisiana Museum of Modern Art, Humlebaek  
Tel: 45-4919 0719  
www.ludsmo.dk  
Henri Cartier-Bresson: Europeans. Previously seen in Paris and London, this show brings together 185 works ranging across the photographer's career from the 1930s to the present; to Jun 6

**Stations Museum for Kunst**  
Henri Matisse: Four great collectors. Brings together works from what were once the greatest private collections of Matisse's art. The show was organised jointly with the Hermitage Museum in St. Petersburg, where it opened last year; to May 24

### EDINBURGH

**EXHIBITION**  
Royal Scottish Academy  
Tel: 44-131-624 6200  
173rd Annual Exhibition: painting, sculpture and architecture, including works by three Academicians who died in 1998 - Alberto Morrocco, David McClure and James McIntosh Patrick; from Apr 24 to Jul 11

### FLORENCE

**CONCERT**  
Teatro Comunale  
Tel: 39-055-211158  
www.teatrocomunale.it  
Vladimir Ashkenazy: recital by the pianist of works by Schumann, Ravel and Rachmaninov; Apr 25

**OPERA**  
Teatro Comunale  
Tel: 39-055-211158  
www.teatrocomunale.it  
The Queen of Spades: by Tchaikovsky. Conducted by Semyon Bychkov in a staging by Lev Dodin. In a



The British Royal Ballet arrives in Beijing on Wednesday; above, Darcey Bussell in MacMillan's 'Romeo and Juliet'

co-production with Netherlands Opera and Opéra National de Paris; Apr 24, 27, 29

### FORT WORTH

**EXHIBITION**  
Kimbell Art Museum  
Tel: 1-817-3328451  
www.kimbellart.org  
● Gifts of the Nile: Ancient Egyptian Faience. Brings together over 200 works, including statues of kings, gods and animals, ranging over 5000 years. Includes works borrowed from public and private collections in the US and Europe; to Apr 25  
● Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

### HOUSTON

**EXHIBITION**  
Museum of Fine Arts, Houston (Tel: 1-713-639 7300) and Contemporary Arts Museum (Tel: 1-713-284 8291)  
Art at Work: Forty Years of the Chase Manhattan Collection. Display of 77 works which together chart the major movements in post-war American and European art. Organized chronologically, the show at the Museum of Fine Arts includes works by Calder, Stella and Bayes, while the Contemporary Arts Museum features artists of the 1980s and 1990s, including Basquiat, Cragg, Lichtenstein and Sherman; to May 2

**OPERA**  
Houston Grand Opera, Wortham Center  
Tel: 1-713-227 2787  
www.hgo.com  
Resurrection: world premiere of Tod Machover's new opera set in Tzarist Russia, with a libretto by Laura Harrington. Patrick Summers conducts a staging by Graham Murray, with designs by Simon Higlett; Apr 25, 28

### LONDON

**CONCERTS**  
Barbican Hall  
Tel: 44-171-638 8891  
● Ariadne auf Naxos: by R. Strauss. Concert performance conducted by Richard Hickox, with a cast including soprano Christine Brewer. The programme is completed by the composer's music for "Le Bourgeois Gentilhomme"; Apr 27

● English Chamber Orchestra: conducted by Paul Goodwin in works by Ravel and Mozart, and in the world premiere of a new work by Kaldnurns, with shakuhachi soloist Richard Stagg; Apr 28  
● London Symphony Orchestra: conducted by Mstislav Rostropovich in works by Tchaikovsky, Prokofiev and Shchedrin, with violin soloist Mstislav Rostropovich; Apr 29  
● Plácido Domingo: zarzuela concert, with the Orchestra of the Royal Opera House conducted by Miguel Ros, soprano Ainhoa Arteta and mezzo-soprano Cecilia Diaz; Apr 25

**EXHIBITIONS**  
Barbican Art Gallery  
Tel: 44-171-638 8891  
New Art for a New Era: Malevich's Vision of the Russian Avant-Garde. 84 paintings and 48 works on paper on loan from the State Russian Museum, St. Petersburg. These works were drawn from the revolutionary Museum of Artistic Culture, established in 1919 as the first museum of modern art. Includes works by Chagall, Kandinsky and Rodchenko; from Apr 30 to Jun 27

**National Gallery**  
Tel: 44-171-639 3321  
● Orazio Gentileschi at the Court of Charles I: first-ever retrospective of the 17th century Italian painter, friend to Caravaggio, and Court Painter to Charles I. Includes a group of works from the Queen's House in Greenwich, sold after the king's execution and never seen together since; to May 23  
● Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25  
● Rogier van der Weyden: the 20 surviving paintings attributed to the 15th century Flemish artist are mostly too fragile to travel. The National Gallery has five, and these are supplemented by two from the Gulbenkian in Lisbon and two from the Getty in California for this show, which celebrates the 600th anniversary of his birth; to Jul 4

**National Portrait Gallery**  
Tel: 44-171-3000055  
Miles: Portraits. Works by the Pre-Raphaelite painter and portraitist, including his paintings of Ruskin, Lill Langtry and Gladstone; to Jun 6

**Dorset's Gallery**  
Tel: 44-171-887 8000  
The King's Head: organised to coincide with the 350th anniversary of the publication of this biographical exhibition brings together images of Charles I from all stages of his life; to May 5

**Royal Academy of Arts**  
Tel: 44-171-300 8000  
Vasily Kandinsky: Watercolours and other Works on Paper. Consists of 140 works on paper spanning the whole of the artist's career; to Jul 4

**Tate Gallery**  
Tel: 44-171-887 8000  
Jackson Pollock: seen first in New York, this major retrospective of the Abstract Expressionist comprises around 80 paintings and drawings drawn from major public and private collections worldwide; to Jun 6

**OPERA**  
English National Opera, London Coliseum  
Tel: 44-171-632 6300  
● Metastasio: by Bolto. Conducted by Oliver von Dohnányi in a new staging by Ian Judge; Apr 27, 29  
● Samel: Rosemary Joshua sings the title role in Robert Carson's production, conducted by Harry Skelton; Apr 24, 26, 30

**Sadler's Wells**  
Tel: 44-171-887 8000  
The Royal Opera: Paul Bunyan, by Benjamin Britten. Staging by Francesca Zambello, conducted by Richard Hickox (replaced by Chris Willis on Apr 27); Apr 24, 26, 27, 28, 29, 30

**THEATRE**  
Albany Theatre  
Tel: 44-171-369 1730  
Pleaty: by David Hare. Revival of the 1970s classic, directed by Jonathan Kent and starring Cate Blanchett

**Barbican Theatre**  
Tel: 44-171-638 8891  
The Winter's Tale: by Shakespeare. RSC staging directed by Gregory Doran and designed by Robert Jones. The cast is led by Anthony Sher

**Comedy Theatre**  
Tel: 44-171-369 1731  
Suddenly Last Summer: by Tennessee Williams. Directed by Sean Mathias. With Sheila Gish, Rachel Wadley and Gerard Butler

**Lyric Hammersmith**  
Tel: 44-181-741 2311  
The Dispute: by Pierre Marivaux, in a translation by Neil Bartlett, who also directs

**National Theatre, Cottesloe**  
Tel: 44-171-629 2222  
● Sleep With Me: new play by Hanif Kureishi, directed by Anthony Page with a cast led by Penny Downie and Jonathan Hyde  
● The Riot by Nick Darko. New work by the Cornish playwright, in a co-production between Kneehigh Theatre and the National Theatre, directed by Mike Shepherd

**National Theatre, Lyttelton**  
Tel: 44-171-629 2222  
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

**National Theatre, Olivier**  
Tel: 44-171-629 2222  
● Candide: Bernstein's musical, in a new version directed by John Caird and Trevor Nunn  
● Troilus and Cressida: by Shakespeare. Trevor Nunn and John Caird direct; the cast includes Sophie Okonedo, Peter de Jersey and Roger Allam

**Piccadilly Theatre**  
Tel: 44-171-369 1734  
The Birthday Party: by Harold Pinter. Directed by Joe Hammon, with a cast led by Timothy West and Prunella Scales

**Venue Theatre**  
Tel: 44-171-369 9987  
The Memory of Water: by Shelagh Stephenson. Directed by Terry Johnson and designed by Sue Plummer. With Alison Steadman and Stella Gonet

### LOS ANGELES

**CONCERTS**  
Dorothy Chandler Pavilion  
Tel: 1-213-365 3500  
www.laphil.org  
Los Angeles Philharmonic: conducted by Alan Gilbert in works by Bernstein, Ruggles, John Williams, and Copland; featuring David Breidenstahl on bassoon; Apr 24, 25

**EXHIBITIONS**  
J. Paul Getty Museum  
Bresson: The Eye of Paris. Retrospective comprising 140 works, which coincides with the 100th anniversary of the photographer's birth. Dubbed "the eye of Paris" by Henry Miller, Bresson celebrated the city in photographic series including "Paris by Night". Originated in Houston, the show will transfer to Washington; to Jul 4

**Los Angeles County Museum of Art**  
Tel: 1-213-857 6000  
www.lacma.org  
Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch museum's renovation; to May 16

### MADRID

**EXHIBITION**  
Fundación Juan March  
Tel: 34-91-405 4240  
Kurt Schwitters and the Spirit of Utopia: paintings, drawings, collages and photographs by the German avant-garde artist, from the period 1918-1947. Includes loans from the Sprang Museum in Hannover and private collections, including that made by artist's son; to Jun 27

### MONTREAL

**EXHIBITION**  
Montreal Museum of Fine Arts  
Tel: 1-514-295 1800  
www.mbam.org  
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

### MUNICH

**CONCERTS**  
Philharmonie Gasteig  
Tel: 49-89-5481 8181  
● European Brass Band Championships; Apr 24  
● Munich Philharmonic Orchestra: conducted by Gard Albrecht in works by Sibelius and Alban Berg; Apr 30  
● Prague Symphony: conducted by Leos Svárovský in works by Rimsky-Korsakov, Chopin and Ravel, with piano soloist Rudolf Buchbinder; Apr 28

**EXHIBITION**  
Haus der Kunst  
Tel: 49-89-211270  
Art Across Borders: Classical Modernism from

Cézanne to Tinguely and World Art as seen from Switzerland. Display of the collection made by Swiss recluses Josef Müller (1887-1977), which combined European modernism with classical antiquities and pre-Columbian art; to May 30

### NAGOYA

**EXHIBITION**  
Nagoya/Boston Museum of Fine Arts  
www.nagoya-boston.org  
Monet, Renoir and the Impressionist Landscape: this inaugural show at the new museum comprises more than 60 examples of landscape painting in 19th century France. Key works include "Grainstack (Sunset)" (1891) by Monet and Van Gogh's "Houses at Auvers" (1890); to Sep 26

### NAPLES

**OPERA**  
Teatro di San Carlo  
Tel: 39-081-797 2331  
Il Barbiere di Siviglia: by Rossini. Gabriele Ferro conducts a staging by Filippo Chivell, with a cast led by Leo Nucci; Apr 25, 28, 30

### NEW YORK

**CONCERT**  
Avery Fisher Hall, Lincoln Center  
Tel: 1-212-875 5030  
www.lincolncenter.org  
New York Philharmonic: conducted by Colin Davis in the world premiere of James MacMillan's "The World's Ransoming", with English horn soloist Thomas Stacy. The programme is completed by Bruckner's Symphony No. 9; Apr 24

### EXHIBITIONS

**Guggenheim Museum**  
Tel: 1-212-423 3500  
www.guggenheim.org  
● Jim Dine: Working Memory, 1959-1969. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 16  
● Picasso and the War Years 1937-1945: more than 75 paintings, sculpture and works on paper; to May 9

**Metropolitan Museum of Art**  
Tel: 1-212-579 5500  
www.metmuseum.org  
● 18th Century French Drawings in New York Collections: highlights of a century of collecting, featuring 100 outstanding examples by 59 artists including Watteau, Boucher and Fragonard; to Apr 25  
● Pissarro: Painter and Sculptor in Clay. Seen last year at London's Royal Academy, this show brings together 175 ceramic works by Pissarro, mostly created between 1947 and 1962; to Jun 8

● The Treasury of Saint Francis at Assisi: around 70 masterpieces of medieval and Renaissance panel painting, gold, textiles and manuscript illuminations, are joined by 30 loans. Includes pivotal works in the development of the early Renaissance art; to Jun 27

**Whitney Museum of American Art**  
Tel: 1-212-527 2801  
The American Century: Art & Culture 1900-2000. Millennial celebration featuring more than 1,200 works and filling the entire museum. Presented in two parts, the first of which concerns the first half of the century, including works by photographer Alfred Stieglitz and painters including Edward Hopper and Jackson Pollock. Accompanying the show is a programme presenting more than 200 works of American cinema; to Aug 22

**OPERA**  
New York City Opera, New York State Theater  
Tel: 1-212-970 5570  
www.nycopera.com  
● Intermezzo: by R. Strauss. New staging by Leon Major, with sets by Andrew Jackness and costumes by Martha Mann. Conducted by George Mahran; Apr 24  
● Madame Butterfly: by Puccini. Conducted by Gábor Szabó. Staging by Mark Lamos first seen in November, with sets by Michael Yeager and costumes by Corinne Hoffman; Apr 25

**THEATRE**  
Belasco Theatre  
Tel: 1-212-239 6200  
Ring Round the Moon: adaptation by Christopher Fry of Jean Anouilh's 1950 comedy, starring Toby Stephens; opens Apr 28

**Brooks Atkinson Theatre**  
Tel: 1-212-307 4100  
The Iceman Cometh: by Eugene O'Neill. Howard Davies directs a cast led by Kevin Spacey

**Circle Theatre**  
Tel: 1-212-239 6200  
Not About Nightingales: by Tennessee Williams. Directed by Trevor Nunn and starring Corin Redgrave

**Ethel Barrymore Theatre**  
Tel: 1-212-239 6200  
Amy's View: by David Hare. Directed by Richard Eyre and starring Judi Dench

**Gramercy Theatre**  
Tel: 1-212-477 4900  
Ashes to Ashes: by Harold Pinter. Karel Reisz directs Lindsay Duncan and David Strathairn

**Longacre Theatre**  
Tel: 1-212-239 6200  
The Gershwins' Fascinating Rhythm: revue celebrating the songs of George and Ira Gershwin, directed by Mark Lamos; opens Apr 25

**Lyceum Theatre**  
Tel: 1-212-239 6200  
The Lonesome West: by Martin McDonagh, directed by Garry Hynes; opens Apr 27

**Margolis Theatre**  
Tel: 1-212-307 4100  
Annie Get Your Gun: Peter Stone's revival of Irving Berlin's musical is directed by Graciela Daniele, and stars Bernadette Peters and Tom Wopat

**Minsk Box Theatre**  
Tel: 1-212-239 6200  
Closer: by Patrick Marber. Cast includes Halima Richardson, Rupert Graves, Anne Friel and Claran Hulse

**Musée d'Orsay**  
Tel: 33-1-4049 4814  
www.musee-orsay.fr  
● Edward Burne-Jones: major retrospective of the

British pre-Raphaelite painter, which forms the mahseay of the museum's "season angles"; to Jun 6  
● Gothic Revival: Architecture and Decorative Arts of Victorian England. Display examining the fascination of mid-19th century artists with medieval culture; to Jun 6

**Musée du Louvre**  
Tel: 33-1-4020 5151  
www.louvre.fr  
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

**Opéra de Paris**  
Tel: 33-1-4265 1273  
Maroc: Les Trésors du Royaume: A mainstay of France's year-long "Temps du Maroc" festival, this display ranges from prehistory to the present, telling in the arrival of Islam and some modern European travellers on its way; to Jul 18

**OPERA**  
Opéra National de Paris, Opéra Bastille  
Tel: 33-1-4473 1300  
www.opera-de-paris.fr  
Lohengrin: by Wagner. Conducted by Mark Elder in a staging by Robert Carsen, with designs by Paul Steinberg; Apr 25, 28

**Opéra National de Paris, Palais Garnier**  
Tel: 33-1-4343 8696  
www.opera-de-paris.fr  
Pierrot: by Jean-Philippe Rameau. Conducted by Marc Minkowski in a staging by Laurent Pelly; Apr 28, 29, 30

### ST. LOUIS

**EXHIBITION**  
St. Louis Art Museum  
Tel: 1-314-721 0072  
Beckmann in Paris: previously seen in Zurich, this show explores the German artist's relationship to the city he settled in. Work by Beckmann is displayed alongside that of French contemporaries; to May 9

### STOCKHOLM

**EXHIBITION**  
Moderna Museet  
Tel: 46-8-5185 5200  
www.modernamuseet.se  
Aleksandr Rodchenko (1891-1956): major retrospective of the Russian Constructivist; to May 24

### TOKYO

**DANCE**  
NHK Hall  
The Royal Ballet: Manon, with designs by Nicholas Georgiadis. Anthony Twarog conducts the Tokyo City Philharmonic; Apr 24, 25

**EXHIBITION**  
Tokyo Metropolitan Art Museum  
Tel: 81-3-3823 6821  
Masterpieces from Washington's National Gallery of Art: works on loan by artists including Renoir, Degas, Monet, Cézanne and Van Gogh; to Jul 11

**OPERA**  
New National Theatre  
Tel: 81-3-5352 9999  
Die Fledermaus: by J. Strauss. Conducted by Yukio Kihara in a staging by Kyoko Fujishiro, directed by Hironori Terasaki; Apr 24, 25

### TORONTO

**OPERA**  
Canadian Opera Company, Hazelton-Gardner Centre  
Tel: 1-416-383 6671  
www.coc.ca  
The Golden Ass: by Randolph Peters. World premiere. With a libretto by Robertson Davies, based on the ancient fable. The director is Colin Graham and the conductor is Richard Bradshaw; Apr 25

### VIENNA

**CONCERTS**  
Konzerthaus  
Tel: 43-1-5870 5040  
● London Symphony Orchestra: conducted by Michael Tison Thomas in works by Elgar, Ruggles and Bruckner; Apr 24  
● Vienna Radio Symphony Orchestra: conducted by Ulf Schirmer in a concert performance of J. Strauss's Der Lustige Krieg; Apr 29

**EXHIBITIONS**  
Kunsthistorisches Museum  
Tel: 43-1-712 0495  
Jean-Michel Basquiat: Paintings and Works on Paper. 100 works on loan from the Mugar Collection make up the first show in Austria devoted to the black-Hispanic US artist; to May 2

**Osterreichische Galerie Belvedere**  
America: The New World in 19th Century Painting. Dealing with the period from the Declaration of Independence in 1776 until the US entry into World War I, this show traces the history of the country through the eyes of its painters; to Jun 20

**OPERA**  
Wiener Staatsoper  
Tel: 43-1-51444  
Cavalleria Rusticana: by Mascagni/Pagliacci: by Leoncavallo. Simone Young conducts a staging by Jean-Pierre Ponnelle; Apr 25, 28

### WASHINGTON

**EXHIBITIONS**  
National Gallery of Art  
Tel: 1-202-737 4215  
www.nga.gov  
● American Impressionism and Realism: The Margaret and Raymond Horowitz Collection. 49 paintings and works on paper. Highlights include works by William Merritt Chase; to May 9  
● John Singer Sargent: previously seen at the Tate Gallery in London, this show includes more than 100 paintings and watercolours by the American portraitist; to May 31

**Phillips Collection**  
Tel: 1-202-387 2151  
Georgia O'Keeffe: The Poetry of Things. Brings together 66 paintings and works on paper; to Jul 18

### ZURICH

**EXHIBITION**  
Kunstmuseum Zurich  
Tel: 41-1-261 6765  
Chagall, Kandinsky, Malevich and the Russian Avant-garde: exhibition exploring the artistic upheavals of the first two decades of this century. Includes important Russian loans; to Apr 25

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Additional listings supplied by ArtBase e-mail: artbase@lynet







## WEEKEND INVESTOR

WALL STREET JOHN AUTHURS

## Forget the results – it's the expectations that count

M.C. Escher is popular on Wall Street. His prints often adorn corporate boardrooms. In the earnings season, when corporate America tells the world about its profits, you can begin to see why. Escher's brilliantly precise prints capture logical impossibilities. Perhaps best known is the four-sided staircase where every flight of stairs points upwards, but each flight leads to another.

The game of publishing earnings moves in the same baffling realms of illogic. What matters is not the results but how they were compared with expectations. Results significantly different from expectations cause the biggest lurch in share prices.

The art of investor relations has grown more complex over the years. Companies steer expectations in a direction where they can best them by a cent or two. Similarly, chief financial officers manipulate the reported earnings as much as they can, using whatever devices are available to keep them moving steadily upwards.

Where once they were always upbeat, now they almost try to dampen hopes. I/B/E/S and First Call both publish definitive estimates of analysts' declared forecasts, updated regularly.

In recent quarters, the game has taken on an extra dimension. Particularly in the more hectically traded stocks, there are "whisper numbers". Traders assume the company must have massaged expectations downwards and form their own estimate, often on no information at all.

This leads the market into a world of Escher. A stock "ent down, news reports" all say, because it "failed to meet expectation by as much as expected". It defies logic, at it happens.

Brian Barry, a professor at Southern Methodist University's Cox business school, suggests that "true" surprises now have more impact because a surprise in the present climate means conditions are either so bad or so good that the suits could not be manipulated any more.

A big positive surprise means that the company is doing better than even its own managers expected. Positive earnings surprises the past two weeks have deepened the rally in oil stocks. Oil, paper and machinery have all risen faster than most all estimates.

This is a good reason for a surge in cyclical shares

Index	10,440.53	53.38
FTSE 100	10,448.56	8.02
DAX	10,581.42	132.87
Nikkei	10,727.18	145.76



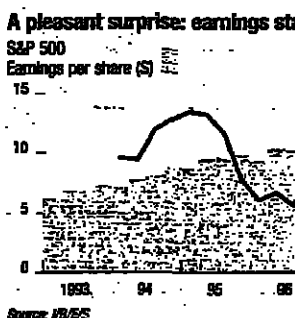
No blues for Big Blue: IBM exceeded everyone's expectations

prices. However, I/B/E/S points out that these companies' profits are still awful by any criterion other than what analysts happened to expect. Paper companies' earnings are down 29 per cent since the first quarter of last year, textiles are down 34 per cent, steel companies down 52 per cent and oil down 65 per cent.

In spite of this, US companies' profits are genuinely better than analysts expected, and the black arts of media manipulation cannot account for it. I/B/E/S says this is shaping up to be the best quarter for positive earnings surprises since the first quarter of 1988. The results themselves, away from the expectations game, are their best since the final quarter of 1997 when companies were about to be hit by the Asian currency crisis.

This provides a solid basis for the performance in the main indices in recent weeks. After its prolonged flirtation with 10,000, the Dow is staking out territory nearer to 11,000. It began this month at 9,786, and was

A pleasant surprise: earnings start to grow again



## FUNNY MONEY

I HATE TELEPHONE BANKING. IT NEEDS THE PERSONAL TOUCH.



5332

There is no question what has been this week's buzzword in the London market: rotation. Generally speaking, the term might seem obvious enough. But, as applied to equities, it bears thinking about.

Does it have the basic meaning, as defined in the dictionary, of spinning round a fixed point? Or is it a metaphor drawn from farming, where whole areas are left alone for a while – barring the odd dump of manure – and are then cultivated to burst back into growth?

Back on Tuesday, it looked as if neither applied. The drop of nearly 200 points in the FTSE 100 that day was prompted by simple fear of the unknown: more specifically, why was Wall Street all over the place, and what was happening to US high-tech stocks?

This kind of response is wholly natural in these uncertain times, and will recur. No serious investor supposes, for instance, that US internet stocks are sensibly valued.

The game is rather that of the Greater Fool. Buy e-stocks at 100 times revenues; sell immediately to the Greater Fool at 120 times; and bear in mind that, if the game stops in the middle, the Greater Fool is you.

The nearest the UK market has to an internet stock is Dixons, which has benefited hugely from its fledgling internet access service. Sure enough, when the market got the wobbles on Tuesday, Dixons was the worst performer in the Footsie.

Sure enough, too, the best performers were the old

Chiroscience is that unusual beast in the world of biotechnology: it has a product. The only problem is the company does not have a partner to help sell it. Most biotech companies are the reverse. They have scores of alliances, but little to sell.

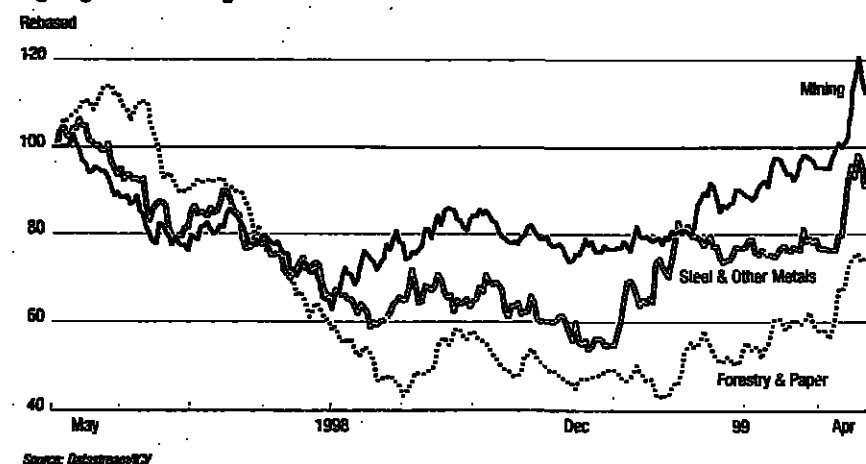
The reason for Chiroscience's predicament is that Zeneca, the UK pharmaceutical company with which it had a marketing agreement for Chirocaine, a local anaesthetic, has just completed a merger with Astra of Sweden. Astra has two local

ONLOOKER TONY JACKSON

## Dizzy days as the Footsie spins

This week's response was wholly natural in these uncertain times and will happen again

## Fighting back after tough times



reliables: brewers, Marks and Spencer and Imperial Chemical Industries.

Such changes in sentiment sum up the rotation principle. Plenty of seasoned investors suspect the UK market – to say nothing of Wall Street – might be overvalued.

And as Richard Kersley of CSFB puts it, if there is a valuation risk in the market, it is to be found in telecommunications and pharmaceuticals.

Hence the fact that British Steel has outperformed the market by 60 per cent this year, and ICI by a quarter. These stocks were in such catastrophic shape that British Steel has still halved relative to the market in the past three years, whereas ICI is still 40 per cent down from a year ago in absolute terms.

There is a more bullish version of the rotation principle. This says that growth stocks are valued most highly when growth is hard to come by: for

instance, in the rather fraught world economic climate of last year. But now economic prospects are brightening, and the dogs can have their day.

Domestically, this means that if the UK economy is indeed warming up nicely – and that seems to be the message of this week's economic data – it may be time to buy the direct beneficiaries of consumer spending, such as the brewers or retailers.

On a world stage, the argument gets trickier. The best-performing sectors in the UK this year – as in the US – have been mining, steel, and forestry and paper.

These have a great deal in common: highly cyclical industries driven by supply rather than demand and producing commodity-priced goods for world markets.

But if these sectors in the UK are to benefit from higher product prices, they will have to cope with the strength of sterling – which

is on the verge of what, in pre-euro days, would have been the danger level of DM3.

Perhaps, though, the market's hopes are based not on Europe, but on the signs of economic recovery in Asia. If so, there is a wider worry.

Ever since the Asian crisis struck, 18 months ago, the world has been the luxury of easy money. This is largely because the US Federal Reserve has regarded Asian devaluation and overcapacity as disinflationary.

This has had a harsh impact on those western companies, such as steel and paper makers, which have been competing with Asian producers on price. It would seem, if Asian prices and product markets are picking up again, their prospects should also improve. But the question then arises of what this means for world interest rates?

The worry does not stop

there. As broker BT Alex Brown pointed out this week, there are mild signs of inflation within the UK economy as well: for instance, in the vexed data on average earnings. And if, as the brokers point out, the trend towards cyclical stocks is based on higher domestic product prices, the UK authorities will, in turn, be that much less willing to cut interest rates further.

The majority of companies on the UK market by value – drugs, utilities, banks and so forth – are not particularly cyclical in character. That is, only a minority of companies can expect a cyclical surge in earnings.

And the market fundamentals these days, it is worth repeating, are not earnings-based. If they were, price-earnings ratios would not be so high.

Equities are, rather, underpinned by their yield relative to gilts. It follows that if a cyclical upturn leads to higher interest rates, equities stand to lose more than they gain.

But it never does to be too gloomy, especially in these markets. The Footsie, after all, ended the week pretty much where it started, in spite of that nasty dive on Tuesday, and is only a touch off its all-time high. The Dow, too, seems lodged above the magic 10,000 mark.

So perhaps, after all, the more basic meaning of rotation applies. Rather than placing bets on dodgy economic scenarios, the market has simply been spinning around in circles: and none the worse, it appears, for the experience.

tony.jackson@ft.com

## Taking the pain out of parting

anaesthetics of its own.

Thus, last December, when Chiroscience became the first UK biotech company to win a drug approval, it did not see the jolt to its share price it might have expected. When the US Federal Trade Commission ruled that Astra-Zeneca had to get rid of Chirocaine, the share price fell to about £2. In March 1997, when Chiro-

ence had nothing to sell but a dream, it had been trading above £5.

The reaction to the anti-trust ruling strikes some analysts as perverse. Not only did Chiroscience receive a £10m pay-off, but it also regained exclusive rights over Chirocaine, which Zeneca had bankrolled through the hazardous approval process. Moreover, it had a further £50m in the bank, against a "burn rate" – biotech's fancy term for an annual loss – of only £18m.

The exit from Astra-Zeneca has been quite good for Chiroscience, says Karl Koenen, analyst at Dresner Kleinwort Benson. If the company is able to sign the

right marketing deal, he believes the shares should benefit. A company of Chiroscience's size simply lacks the clout to take on the big boys single-handed.

There is another important issue. That is the labelling Chirocaine receives and once complicated negotiations with the US Food and Drug Administration are completed, Chirocaine is a "cleaned-up" version of bupivacaine, the local anaesthetic sold by Astra. Chiroscience believes its product is much safer: it does not cause the occasional heart failure that can result from incorrect administration.

Chiroscience says it has proved this in animals. But

to do so in humans would mean conducting unethical trials that could endanger lives. If it can convince the FDA to acknowledge the animal trials and give Chirocaine a better label that recognises its safety, its marketing position would improve markedly.

The company also has an income stream from its chiral business (its drug-cleaning technology) and some promising drugs in early development.

Most promising of these, he says, is a cancer drug that has engaged the interest of Bristol-Myers Squibb, a big US cancer specialist. There are also (less important) drugs closer to market, including a chiral version of methylphenidate for attention deficit disorder.

David Pilling

THE LONG VIEW BARRY RILEY

## Out of the public gaze

New issues are conspicuous by their scarcity as the market shrinks



th another new all-time high recorded this week by the All-Share Index, which rose above 3,000 for the first time on Monday, the London Stock Exchange has not having a great party. It hardly any companies keen to join in. When I was new issues for the *Investors' Chronicle* in 1965, there were 13 flotations in a single day – by courtesy, as I learned, of a James Callaghan capital gains tax rise. Those were the days. The first three months of 1999, there were only three flotations of UK trading companies. It was the quietest quarter for new issues in 10 years.

There does not seem to be real deal of action around the seasonally better and quarter, either.

faith in the small fry. True, smaller companies have temporarily shown outperformance in the past few months. But the smaller companies – taking in those in the SmallCap Index, the "fledgling" group and the real tiddlers on the Alternative Investment Market – are worth in aggregate only £20bn, or 6 per cent of the £1,500bn UK equity market. This is too small a sector for the big institutions to devote much time to.

But there is a broader question here. The UK stock

of cash bids for other companies which could be worth £25bn in 1999. It adds up to a stock market shrinkage of over 2 per cent.

The equity market no longer finances the corporate sector; it retains only its secondary function as a valuation mechanism. Executives in successful companies increasingly see their listing as a means of generating profits on stock options. When it does not do that – as with most smaller companies, where share prices on average are scarcely higher than two

that were formerly listed, or at least were subsidiaries of quoted groups.

In effect, pension funds and life companies are diverting money from listed small companies and reinvesting it in private equity funds. This trend has gone much further in the US, but the UK is catching up. The obvious attraction is that private equity returns have been higher: no less than 28 per cent a year over the five years to 1997 compared with 15 per cent on the SmallCap Index.

But it is hard to believe that these now greatly enlarged funds can earn anything like the same returns in future. The mainstream institutions also run the risk of undermining the corporate governance improvements they have pressed for over a number of years. Listed companies must report accurate information and follow governance codes. But transparency takes a back seat when companies disappear into private equity funds, some of which are beginning to look like the most opaque of the old conglomerates, in a slightly different guise.

A search for scarce growth might lie behind these paradoxical trends. Once, many fund managers were

happy to receive most or all of their total real returns as dividend income, over several decades, dividends have provided 70 per cent of real returns on UK equities. But at 3,000, the All-Share index yield is only 2.2 per cent net, and chancellor Gordon Brown's tax changes have rendered big pay-outs less tax-efficient in the UK. Two-thirds of expected future real returns will typically have to come in the form of capital gains reflecting earnings growth.

This looks daunting. True, some of the new specialist smaller company exchanges in continental Europe, such as Germany's Neuer Markt and the Brussels-based Easdaq, have successfully attracted significant numbers of young, high-tech growth companies. The London market, in contrast, seems to be lumbered with too many unattractive and ageing companies which, in a dull economic environment, are going nowhere very much.

Non-growth companies are therefore under pressure to be taken private and re-engineered in some way. Even if they cannot be transformed through magic words such as "dot com" into glamorous growth stocks, at least value can be shaken out through smart refinancing as well as through rationalisation or trade sales to the big companies.

Today's new issue editors, though, may continue to twiddle their thumbs.

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## FT WEEKEND

I write this column from paradise. The sea here comes in navy, emerald and turquoise stripes.

The sand through rose-coloured sunglasses is as pink as the pages of the Financial Times. On this island you can stand at the top of a hill, inhale the views and exhale the real world.

I came just for that. To throw the cares of city living over the cliffs and watch them be transported by the Caribbean winds. I came to feast on papaya and enjoy life's hedonistic gifts, removed for a moment from an onslaught of TV images of fear and horror that had wrought havoc with my conscience.

Here, I had spent a fortune not to know about the news, not to hear talk of Kosovo and camps. I had flown thousands of miles not to care.

I surfed and I snorkelled. I swam and I nattered my tan. And then yesterday in a pina colada-induced state I took a trip on a catamaran.

I was disinclined to make small talk with the other passengers. I had turned my

## THE LOOKING GLASS

## And what did you do during the war, my friend?

Suzanne Glass tried to shut out the images of Kosovo horror with a trip to the Caribbean. But there was to be no escape

back and was facing outwards towards the high seas, when I felt the tap on my shoulder.

Behind me stood a smiling, grey-haired Scotsman. I made the small talk I had rehearsed. I asked what she did for a living. "I teach art," she said.

"To whom?"

"To children... refugees."

"From where?"

"Ah," I said. "I see."

She didn't follow the details of her working life upon me, but I was compelled to ask. And so she told me about the school hall in the centre of Luxembourg, "home" to hundreds of Kosovar Albanians.

She spoke of the filmy curtains, the "privacy" between the families. Families broken. A father missing here. A brother missing there.

She spoke of the professors and engineers who pace the corridors from dawn to dusk and of the civil war that broke out in the school hall at Christmas when the volunteers had attempted to play "pass the

afternoon and watch the sunset. I lay in my hotel room and

watched CNN instead.

I had played hide and seek, but

in the Caribbean, Kosovo had

found me: the woman with the

creased face and the heavy case

I ought to have done but I didn't.

Now did the media with its choice

of pictures force me to confront

them in the same way.

But this time, in the hordes of

dislocated, disturbed,

directionless refugees, I see

As the images of the exiled wax and wane in our heads, the war of our consciences will rage on. And for the foreseeable future the pina coladas won't taste the same

parcel" with the children. She said she could only stare in horror at the children, with no toys of their own, screamed and wrenched the parcel from each other's grip.

As she talked the waves beneath the catamaran grew rough. By the time we reached the shore I was positively sick. I couldn't lie on the beach that

in the icy cold; the boy with the saucer eyes, his forehead pressed against the window of a train; the moaning and the wailing.

I grew up on stories such as these. I had promised myself if ever I saw images or heard

sounds reminiscent of them I

would do something. Anything.

But I never have. I didn't

recognise the images in Rwanda.

ghosts and my conscience is

screaming.

We can intellectualise all we

like, of course, to dissociate

this human tragedy from the

holocaust. A friend of mine said:

"That damned Milosevic is bad,

but he's no Hitler. He's killing

but not annihilating a whole

race. He's cleansing but not

burning. And the camp in

Macedonia is one of refuge, not

one of labour."

I am far from alone, though, in

an emotional response that

forces me to make comparisons

with the holocaust. I am far from

alone with a conscience that

dares me to be like one of the

second world war bystanders I so

curse.

Of course, because the

psychological and physical

torture of the Kosovar Albanians

is so reminiscent of the

holocaust, it does not make it

worse than the suffering of any

other persecuted minority.

But these analogies have

heightened our empathy. Never

have I heard so many people say:

"I want to do something, but

what?" Collective political action

has not assuaged our consciences

on this one. Governments might

take in refugees, Nato might

continue its increasingly controversial intervention and we might know that the money is coming from our very own wallets. But this has not sufficed.

The promise of the next airlift may be meaningless for the pregnant woman with dysentery rolling in the dirt. And we know it. This time, more than ever before, we are plagued by moral questions that reach our country sofas: "Shall I fill a suitcase with provisions and jump on a plane? Should I? Could I? Would it make any difference?"

Rhetorical questions in most cases, of course, because who are we kidding? Yes, we might be donating money, clothes or cans of tinned food. But we won't disrupt our lives, leave our jobs, risk danger and disease.

Instead we will stand up, switch off the TV, and go to work or to a Caribbean island.

But as the images of the exiled wax and wane in our heads, the war of our consciences will rage on. And for the foreseeable future at least, the pina coladas just won't taste the same.

The Vatican is growing embarrassed at the rise in popularity of shrines not sanctioned by the Catholic Church, reports Sofka Zinovieff

"I have an appointment with the Virgin Mary here at Angelo's Trattoria every 23rd of the month," said Pino Casagrande, as he finished his lunch, and looked out at the dozens of believers who were beginning to gather in the grassy car park.

"I have been seeing visions of the Madonna since 1986 - every day in a different place. She told me to go to where I cried, and as the church with the little Madonna which weeps blood is just down the road, I come here."

Casagrande, 76, was far from impressed with the crowds on this sunny spring day outside Civitavecchia, on the coast some 50 miles west of Rome. "I travel 12,000km every month, around Italy and abroad, and I am used to having 4,000 to 5,000 people," he remarked. "Let them wait."

As Angelo brought coffee and liqueur-flavoured sambuca, Casagrande - the "itinerant visionary", as he is known - described the Virgin. Beautiful, blonde and dressed in gold, she is surrounded by angels, and speaks Aramaic in dirge-like tones, which he somehow understands and transcribes into Italian.

Casagrande is not an isolated case in Italy. As the end of the second millennium approaches, droves of Italians are abandoning traditional church services, and flocking to alternative Roman Catholic shrines, lay visionaries, healers and exorcists.

Statuettes are sporting tears or blood as never before, and sightings of the Virgin are so common that their locations are taking over from the long-established Marian pilgrimage sites.

While the Vatican can easily condemn the "superstition" of the one in four Italians who consult astrologists, "magicians", fortune-tellers or occultists, its embarrassment is growing with its own cult of the paranormal. With 10m to 20m visitors and pilgrims expected to visit Rome for the millennium celebrations next year, there is also another fear that although many will pay their respects in St Peter's, large numbers will be more interested in shrines and visionaries not sanctioned by the Church.

Meanwhile, at Angelo's Trattoria, the faithful were pouring in to greet Casagrande and to look at his famous Polaroid photographs, which curiously depict with paintings of the Virgin or the face of Christ.

"It's faith that brings us here," said Albertina Fabiani, a middle-aged woman with an impressive black beehive hairdo. She, too,



Message from the Madonna: Pino Casagrande, accompanied by followers outside Angelo's Trattoria in Civitavecchia, acknowledges a vision of the Virgin Mary, shown in a shrine (right) weeping blood

## METROPOLIS

## Visionaries spread the Virgin's cult

had her own photos, mostly of the sky or the sun, with strange flashes, shapes or configurations that, from a certain angle, resembled the Virgin, Jesus, or numbers.

One cloud had a wobbly "23" on it, "which is a sign that the Lord wants me to go to Casagrande, because that is the day he comes here."

Outside the trattoria, some 80 pilgrims, a mix of old, young, families and children, had begun to pray and sing hymns. It is largely followers such as these who fund the visionary's travels, and provide accommodation for him and his wife.

Casagrande took his place in the circle of white plastic chairs, next to an empty one covered in lace and bearing a plaque reading "For the heavenly Mama". After a trance-inducing repetition of Hail Marys, all went quiet, and Casagrande fell to his knees, his

arms raised. A rush of clicks and whirring followed, as numerous cameras were pointed at the sun.

"Look, it's the door to paradise," whispered Anna Scottie, an elegant woman in black leather, as she peered around a fresh picture of the sky with a large white rectangle obscuring its centre.

Several people pointed out the perfume of roses in the air. "You can always smell roses at home later, not just at the time of the vision," claimed Antonella Schiano, a young mother of two, who has been coming with her husband and children to see Casagrande for two years.

The Church's reaction to Catholic visionaries is one of scepticism and lack of interest. Michele Fusi of Rome's Gregoriana University claims that most of the new wave visionaries are false.

"They are part of the same phenomenon as the New Age search for spirituality and the invisible

world, even though they use a Christian symbolism."

The contents of the revelations are usually theologically contradictory; we must not forget that the central figure of our religion is Jesus Christ, and not the saints or the Madonna," he said.

Such is the Vatican's fear of frauds and charlatans that its

Blonde and dressed in gold, the Virgin is surrounded by angels, and speaks Aramaic in dirge-like tones

own endorsement of miracles is

growing in controversy. Pope John Paul II has gone into overdrive creating saints (a process which requires miracles), and yet the very people who report miracles and visions are becoming alienated and angry.

Vittorio Menotti, a leading

commentator on religious affairs,

has accused the Church of being

"theologically correct, a tragicomic sub-species of the politically correct". In the case of one sanctuary associated with miraculous cures (La Fontanelle - a "little Lourdes" of northern Italy), the organisation which runs it is so

angered by the Vatican's dismissiveness that it is planning a pro-

test march in Rome.

In cases such as the bleeding Madonna of Civitavecchia, which has been formally recognised by the Vatican as "a sign of the presence of the Virgin Mary", Fusi stresses the importance of "scientific verification", and of "educating the people".

In the meantime, thousands of

pilgrims visit Civitavecchia, and the statuette which wept blood in 1986 has become yet another Marian shrine. It is particularly beloved of drug addicts, some of whose syringes line the walls in testimony of their "miraculous" cures.

As Casagrande sat slowly writing down the message from the Madonna, a salesman from "Sign of the Supernatural" laid out

copies of the monthly magazine which, during the past decade, has become the mouthpiece for believers in the Catholic paranormal.

According to its editor, Piero Mantero, people are turning to visionaries because they find a warm, intimate religion, which modern priests are unable to give.

The Church, and particularly the bishops, "are critical and negative. They are frightened of these things, and want to dis-

tance themselves. There is now a split between the 'rationalist' Church and an active section of the laity, many of whom are converted because of irrational, emotional experiences."

After Casagrande finished reading his message from the Virgin (as always, one of hope, love, faith and exhortation to pray), the faithful bought pamphlets and books published by the "Sign of the Supernatural".

A quick look through confirms that other contemporary visionaries also smell of roses, see the heavenly "Mama" on specific days of the month, and are associated with weird Polaroid photographs.

Notwithstanding the Vatican's conservative scepticism, and its pleas for scientific rationality, there seems to be no stopping the revival of the cult of the Virgin as it spreads through the Catholic world.

## ARCADIA

## Cutting down the tribulations at the trials

Karen Considine meets the extended 'family' of helpers that will make this year's 50th Badminton Three-Day Event run with precision

Willis does not just mean a

jaunt into the next county for the

local point-to-point. The Willis

brothers' success ("None of us

rides but we know what a horse

can do") has taken them to

Hawaii and Japan, to the Olympics

at Barcelona and Atlanta; they

are chief course builders for

Sydney 2000.

This winter, Alan and son

James alternated working with

the mud and oak trunks of the

Badminton course with gum

trees from the Blue Mountains, to

build fences in the heat of the

Australian summer.

Now that they are world-travel-

lers, is Badminton still special?

"Of course it is," said Alan.

"Everyone involved is like a fam-

ily here; we don't get cotton-

mouth snakes in the water jump,

or we don't have to eat blon-

ding McDonald's all the time,

either."

Tony Witt, a dry stone-waller

and another of the Badminton

"family", says: "They [the Willis

brothers] show us exactly what

they want, they give us the angle

of the fence and we all build it

together. It works a treat."

Although his father was a

gamekeeper at Badminton, Witt

'I put up a notice 'Careful - Ducks on the Road' and,

as soon as I did that, everything was beautiful'

was apprenticed to a local dry-

stone waller, and now his son,

Andy, works with him on the

horse trials course.

"With stonework you've either

got the gift, a feel for the stone,

or you haven't. The most impor-

tant part of the wall is the

middle, and nowadays you see

these fellows building up the two

sides and pouring a bucket of

stones between them. That wall

won't last more than a year or

two. We've been working on Tom

Smith's Wall, that's a well-known

jump, named after one of his

grace's tenant farmers."

Farmers and farm workers on

the Gloucestershire-Wiltshire

borders are no strangers to the

hardships of working on the land

in the 1990s, and most are

pleased to be part of the network

of unsung helpers behind the

scenes at the three-day event.

One tenant farmer uses his dig-

ger to excavate trenches taking

extra electricity and water to the

site. Others don crash caps and

act as mounted stewards.

Colin Stainer, a farm manager,

has been taking a week off work

for Badminton horse trials for

the past 20 years. "When I first

started, I used to help the game-

keeper keep the deer off the

course. Nothing was roped off

and when the loudspeakers

started up the herd just pan-

icked," he said.

Now the deer are corralled and

Stainer helps the duke's chauff-

eur drive the sponsors' vehicles

to Heathrow airport to pick up

international judges.

"I nearly gave up this year -

it's a busy time on the farm; but

what with it being the 50th and

everything... and I really like

seeing my foreign friends again.

On Saturday, I escort the para-

medics. I know the park like the

back of my hand and we all help

each other, you see." That "fam-

ily" network again.

The vast mass of people visit-

ing the horse trials can indeed

cause confusion, even among

those who know Badminton Park

well. Ambulance drivers have

become disoriented, police horses

have fallen through footbridges.

More than 200,000 people will

come to the tiny village of Bad-

minton during the week of the

horse trials, disrupting traffic,

parking 600 caravans where the

duke's Jersey cattle usually

graze, and filling to capacity



FINANCIAL TIMES SURVEY

# WATCHES, CLOCKS & JEWELLERY

SATURDAY APRIL 24, 1999

## Ticking along nicely towards the millennium

Asia's financial problems have given watch, clock and jewellery makers some years of concern but trading is now solid, reports **Michael Balfour**

As the year 2000 approaches, timekeeping is achieving a special prominence in the public's mind. Commemorative watches, clocks and jewellery are arriving on the market, well ahead of Y2K fears for the great day, and these industries are marketing them as heirlooms of the future.

Sales will be pursued at two trade fairs to be held in Switzerland this month.

In terms of exports the watch industry ranks third in value in Switzerland, behind those of pharmaceuticals and machine tool manufacturing.

The Swiss watch industry as a whole reported exports up 1.3 per cent in 1998, at SF6.4bn according to the Federation of the Swiss Watch Industry (FH). The same source confirmed that 32.2m complete watches were exported in 1998, up 2.2 per cent.

Steel-cased wristwatches are increasing their sales at every price level, as demands for timepieces coincide with price sensitivity in the market place. The FH represents 97 per cent of the Swiss watch industry, and leading brands in the membership are presently exercised by the urgent requirement for comparability in retail prices in all export markets.

Margins of their foreign distributors are being eroded while members' own factory gate unit prices are being slimmed down as part of joint efforts to achieve, ultimately, retail price convergence.

Switzerland's round-the-clock observation of the European Union's economic health, and the possibility of its own application to join, may be influencing this attempt at convergence.

With a population of 290m and a combined GDP which stands at 19 per cent of the worldwide total, the sheer size of the Eurozone is providing the spur for Switzerland's new approach. Once common euro-pricing takes hold customers will rule.

The decline of the Asian market has halted and January 1999 saw improved exports there of 7 per cent with total exports for the month up 3.4 per cent (according to FH figures). Although Swiss exports there were down last year, from 44 per cent to 37 per cent, and Middle East demand fell by 2 per cent, lost sales were made up in 1998 by (in order of increases) Spain, the Netherlands, Italy, France, and the US.

The Swatch Group described its trading perfor-

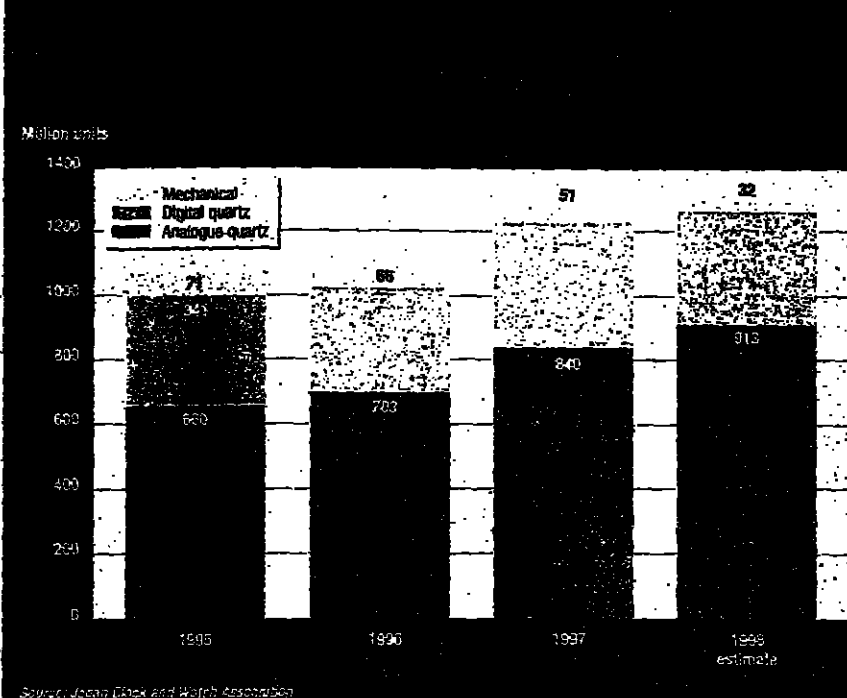
mance in 1998 as "very solid", and indeed the preliminary results of Switzerland's largest manufacturer of timepieces showed a unit sales increase of watches, movements and stepping motors of 2.3 per cent to 118.8m. Net sales were up 7 per cent to SF7.32bn.

The results highlighted the widely shared industry problems: currency conversion forecasts and consumer demand downturns in various but not all Asian markets.

A decline in Swatch Group's sales of movements to third parties last year was mirrored by a drop in TAG Heuer's watch case sales, and both companies are continuing their policies of taking direct control of local distribution, which is now a trend in the industry.

Christian Virois, chief executive officer of TAG Heuer, recently reported a decline in sales for the year ending December 31 (at SF655.1m). "Given the difficult trading environment in Asia, we are very pleased with TAG Heuer's sales performance. The fourth quarter's positive sales growth was achieved in spite of a strong comparable period in 1997, which included the launch of the Kirmir series," says Mr Virois. A strong watch com-

World watch trade production



Source: Japan Clock and Watch Association

one successful model in a year.

The Vendôme Luxury Group, a division of Compagnie Financière Richemont and controlled by the Rupert family, owns world-class luxury goods brands.

Unaudited figures for the six months to September 30 1998 showed watch sales down 0.6 per cent at SF759.8m and jewellery sales up 18.5 per cent at SF747.1m. The jewellery figure was "due principally to higher retail sales at Cartier".

World production of watches in 1998 amounted to 1.3bn units, an increase of about 2 per cent, according to the Japan Clock and Watch Association. Production of analogue quartz watches increased, while digital quartz models were slightly down, after a 1997 improvement. Watches with mechanical movements were also marginally down. Overall figures show output up in Japan and Switzerland but

down in Hong Kong and elsewhere.

Citizen of Japan, the largest watch manufacturer in the world, turned out, according to its own published figures, 341m watches and movements last year, a 10 per cent year-on-year increase. There is a discernible attempt by Citizen to increase its overseas sales of quality quartz and mechanical movements.

Citizen recently reported: "Apart from watches as time-measuring instruments, watches that can be interfaced with personal computers were marketed by various watch manufacturers based on the concept of wristwatches as wearable information terminal devices." Fingertip access to the Internet, via the wrist, is expected to become commonplace in the next century.

Buying and selling watches, clocks and jewellery, at every price level, via the Internet is likely to rocket as niche industries

become established there. Swatch reported boom sales in 1998 for its Internet Time, which was launched in conjunction with the new Swatch Beat.

Misleading descriptions, fraud, and the intrusion of "grey" or parallel supposedly trademarked goods (the EU is examining this subject, now) are some of the problems awaiting this brave new world, however. Leading auction houses, all now on the Internet, are busy addressing these, with hard-won reputations at stake.

However they are reached, the steadily expanding watch markets are out there. Casio, Timex and Zeon have a plethora of hobby, sport and lifestyle models available. Then there are cool and new models, such as Cerix from Rado, Switzerland's domestic market's best-selling brand, the revolutionary DeVille Co-Axial (with a revolutionary new movement by Englishman George Daniels from the century past),

successful Omega brand, and Franck Muller's remarkable Grande Date Cintrée Curvex in 2000 pieces only.

Rolex and Patek Philippe continue to top the table for quality brand awareness.

A new watch magazine for consumers will have the footfall at this month's two Swiss trade fairs in its sights. The Journal Suisse de L'Horlogerie has just been launched with editorial in three languages. Its initial print run suggests a readily identified market for news and views of Swiss timepieces, both new and "previously-owned".

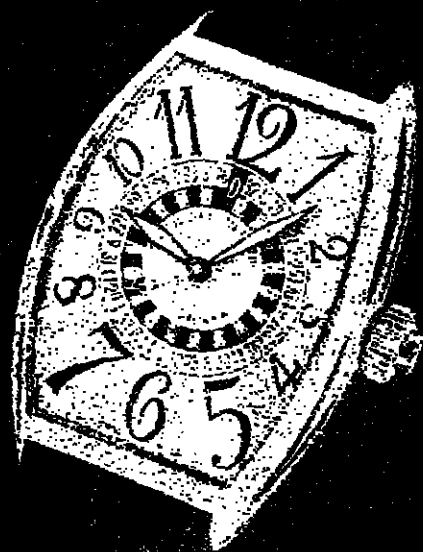
The latter are pre-eminent in the province of Geneva-based auctioneers Antiquorum, directed by Osvaldo Patrizzi. His next European sale is in Geneva, the home of watchmaking after all, and takes place today and tomorrow at the Hotel des Bergues, neatly timed between the Geneva and Basel trade fairs. His "Antiquorum Presents" theme sale

in New York last month drew worldwide publicity, and many thousands of dollars for charitable causes.

Patek Philippe is consistently held to be one of Switzerland's greatest makers, and it was one of its unique 1939 models, a Calatrava, for which Antiquorum has gained a record price of £1,140,000 for a wristwatch.

While senior managements in the Swiss watch trade are carefully observing currency rates in the eurozone, and the inroads of "grey" markets and fakes, they are generally sanguine about their principal markets, as the zeros of the forthcoming year approach their appearance in watch date windows.

Most watch brand catalogues sport a commemorative millennium wristwatch for countdown enthusiasts and collectors everywhere. This year's trade fairs should ensure that January 1 2000 provides a golden dawn.



# Virgin's



Célébrer le Temps.



SALON INTERNATIONAL DE LA HAUTE HORLOGERIE by Michael Balfour

# Where luxury is an addiction

This exclusive event is where the finest watchmakers meet to compare notes and display the quality and flair of their new designs

The ninth annual Salon International de la Haute Horlogerie (SIHH) opened in the Palexpo exhibition halls in Geneva on April 22 and continues until April 30.

This event is for the watch trade only, unlike next week's much larger Basel Show, and is devoted entirely to the values of fine watchmaking. Exclusivity is the watchword of the organisers, and there are just 17 specially invited exhibitors presenting new models and future plans.

This international showcase is under the presidency of Franco Colonna. He comments: "The SIHH is not only a commercial event, but a meeting point between manufacturers who guarantee the extreme quality of their products, and distributors who are the privileged vectors of the brands' images. This is the reason the SIHH has been so successful for nearly a decade, and it will remain our philosophy in the years to come."

To this end the promotional activities of the Association Interprofessionnelle de la Haute Horlogerie, under the guidance of Eugen Maier, secretary-general, are of increasing importance. Of this year's exhibitors, seven are newcomers. They

have moved from the Basel Show, and include for example, Breguet, bearing the name of probably the greatest watchmaker ever to engage in this trade.

Breguet is now wholly owned by Investcorp, and under Jean J. Jacob, the chief executive officer, marketing is being sharpened up and new models are coming on stream. The familiar engine-turned dial and moon hands are present on its new Classique for gentlemen.

There are also two new automatic chronographs, the tonneau-shaped Héritage and the round stainless steel

Type XX Transatlantique.

New double rotor movements are housed in the new deluxe wristwatches of Perrelet, and this brand has discovered the marketability of beautifully presented limited editions, such as Old Rose (100 pieces only).

Another new exhibitor is Bovet, which flourished 177 years ago and is now handsomely back in business. It is showing the Fleurier de Bovet, a lady's gold and diamond pocket watch.

Audemars Piguet arrives in style, to the manner born since 1875. They are presenting the Jules Audemars

Tourbillon Minute Repeater Split-Second Chronograph, a mechanical masterpiece, combining scientific, technical and artistic skills of a very high order. Collectors should note that there will be just 15 made.

Audemars Piguet are also unveiling their Canapé Tourbillon; there will be 25 of these. Limited editions are also found on the elegant booth of Girard-Perregaux. They include the SF Fondroyante (no accelerator needed for selling the 750 pieces of this Ferrari 70th anniversary piece), the Vintage 1998 automatic Colum-

Wheel chronograph, and the new F1-048 (1,000 pieces).

Daniel Jean-Richard is another debut exhibitor with a limited edition, under the tutelage of Luigi Macaluso (owner of Girard-Perregaux). It is showing the Gold TV Screen Chronograph (25 pieces), and also a larger version of it, alongside the three model Bressel line.

Roger Dubuis of Geneva completes the new "guest list" at the SIHH, and discloses his season's novelties for the company's traditional limited world distribution. One of the particularities of Roger Dubuis is its cases fashioned from palladium, and the Sympathie range demonstrates their appeal.

Daniel Roth is showing the

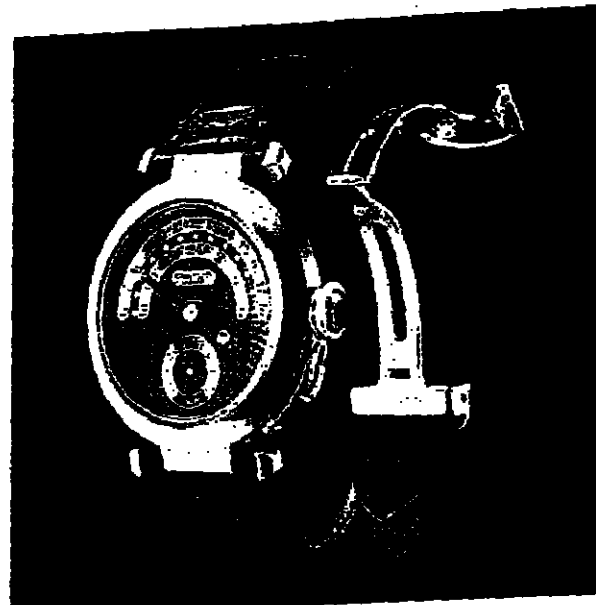
automatic Papillon. This jump hour, with a most original dial layout, is limited to 110 pieces each in 18 carat white and pink gold, and 30 in platinum.

The Vantage and Masters collections demonstrate the art of fine watchmaking, and so does the Backsticker, by fellow exhibitor Gerald Genta. These two companies are associated with Singapore-based The Hour Glass and combine some of their essential functions with no loss of individual identity.

Parmaiani Fleurier is another high class watchmaker, and Michel Parmigiani and his able team will be unveiling the automatic Baccara, the Crono Rattrapante (10 pieces only), the tonneau-shaped mechanical eight-day Ionica, and the Torus Quantième Perpétuel.

The other SIHH exhibitors are part of the Vendôme Luxury Group. Whether there will be a combination of some of their long-established individual operations remains to be seen. The odds are greatly against such a development, but normal business housekeeping of course continues.

Piaget, for example, has recently acquired control of its north American retailing and distribution - from Movado. Under Francis Genta, chief executive officer, Piaget has brought more beautiful timepieces to Geneva. The eight-day



The Pasha day-and-night watch in Cartier's new Collection Privée is limited to an edition of 25

Emperador marks Piaget's 125th anniversary (50 pieces), and its Altiplano is an ultra-thin model with the Piaget signature unusually at 3 o'clock.

Cartier is unveiling its Collection Privée, the best of the best. It includes a 25-piece edition of an automatic pink gold Pasha with a day/night indicator, another Pasha in white gold with a tourbillon movement bearing the intertwined Cartier double C logo, and an ultra-thin mechanical Santos-Dumont in platinum or yellow gold (small model in gold only).

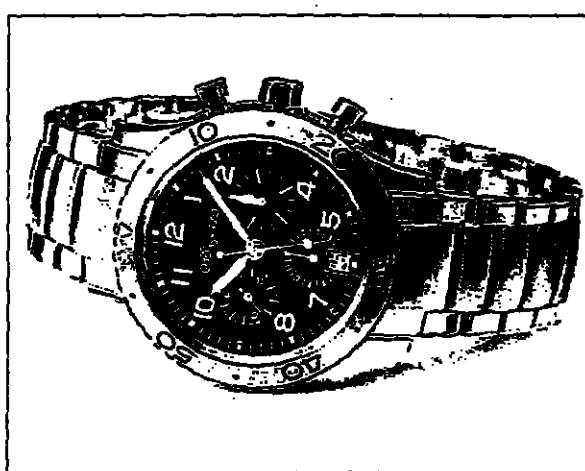
Cartier is also enjoying a success among horological cognoscenti with the large Officine Panerai brand from Italy. Cartier also has Baccara & Mercier under its wing. This year two limited edition Capeland chronographs are displayed. Each is

numbered with a year of the present millennium, but number 2000 is in platinum and not for sale.

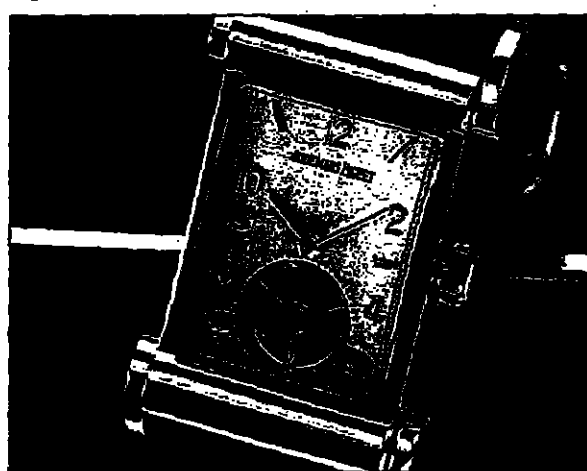
Vacheron Constantin is pleased with the new 245 in its Les Complications collection. This automatic for gentlemen comes in white or pink gold and has a transparent back.

The exhibition list is completed by Alfred Dunhill (with its Longitude Millennium watch) and Montblanc (showing a 75th anniversary limited edition Meisterstück) in the Espace Luxe within the SIHH halls. This sector looks likely to expand in the next few years.

More than 5,000 invited visitors from 150 countries are expected. Each one is, to quote a 17th century expression, a "luxurist", professionally addicted to the "luxuriance" of the timepieces here.



The Type XX Transatlantique which is being launched by Breguet this week



The new Canapé Tourbillon from Audemars Piguet has an attractive visible mechanism

Basel '99 by Michael Balfour

## New exhibition halls usher in bright future for show

Improved facilities and a more coherent layout make for a gleaming showcase for the world's leading watch, clock and jewellery industries

There will be a whole new atmosphere at the 29th World Watch, Clock and Jewellery Show which starts next Thursday and runs until May 6 in the old university city of Basel.

The exhibition halls have been entirely rebuilt in the past 10 months. The 19,000 sqm steel and glass structure (4,300 skilled labourers from 140 companies completed the job) has cost SF

180m, and the same amount again has been invested in new watch and clock stands.

The Messe Basel will organise about 25 fairs a year, and next week's is the first in the new halls.

The 100,000 trade and public visitors and the 2,315 exhibitors expected will find greatly improved clarity and coherence in the layout, as well as the more essential facilities that make trade

fairs bearable. This event is the most important in the trade calendar for all three industries.

The exhibitors can be broken down as follows: 1,303 (56 per cent in jewellery), 578 (26 per cent) in watches and clocks, and 424 (18 per cent) in related activities, such as tools, packaging, publications and special promotions. The world's 40 leading watch and jewellery produc-

ing countries will be present. Europe is most heavily represented, led by Italy (469 exhibitors, including 362 jewellers), Germany (445 exhibitors, including 304 jewellers), and Switzerland, which dominates the watch and clock sector (428 exhibitors, with 222 watch and clock companies among them).

Adding to the show's international flavour, especially in jewellery, will be exhibi-

tors from Bahrain, India and Peru. A number of clear trends are emerging from Basel '99. The use of stainless steel for watch cases is still steadily increasing, and at all price points.

It can be employed with a matt, polished or brushed finish which for example, Alfer, use to great effect. The SF1,000-1,500 retail price segment of the market has never been better supplied with high-quality timepieces. And now chronographs, often with sports applications, from upmarket brands carry a recommended retail price (rrp) from SF3,000.

New companies are, as ever, entering the market with strong creativity (companies such as Clero, with its innovative new Red, White and Blue range, Enigma and Frederique Constant).

There is continual internal reorganisation within groups of wristwatch manufacturers, as they seek economies of scale. The largest of them is the Swatch Group, which this year has reclaimed Longines and Rado as exhibitors in its 2,000 sq m joint booth area. The futuristic Rado is the best-selling brand within Switzerland.

Another outstanding although continuing trend is the entry of fashion house brands, which are right to view wristwatches as almost obligatory daily accessories. Each has customers already committed to its brand. One example is Hugo Boss, which started in the watch market in 1996 and sold 40,000 units the next year.

Last year 73 per cent of its sales were made in Europe but sales in the USA are still to come, and Hugo Boss hopes to have more than 2,500 outlets by the end of 1999. Its watches are marketed, produced and distributed by Tempus Concept SA in Neuchâtel, by a Swiss-based formula which seems to work. Boss is showing ranges such as Initial, Metropolis, Pilot, Ranger and Spirit at Basel '99.

A striking new stand, complete with deal-making meeting rooms, will be occupied by TAC Heuer (with their first ladies' chronograph, an automatic in the Karium series, and a new automatic Heuer Monaco II, limited to 5,000 pieces).

There are elegant new stands, each in more than 200 sq m of floor space and complete with carpets, showcases, meeting rooms and reception areas. One will be occupied by Blancpain (away from the Swatch Group and showing an evening-wear chronograph).

Others will be filled by Breitling (with its new B2 chronograph, and no doubt a

picture or two of the record-breaking Breitling Orbiter 3 balloon adorning walls), Concord (in the resurgent Movado group), Corum (the new black, diamond-set Tabogan, which can also be a desk clock), Gucci (subject to takeover bids at present) and large quality maker Raymond Weil.

Top pedigree watch manufacturer Zenith will show its new automatic Port-Royal V cased in two sizes of stainless steel, and announce details of its co-sponsorship of the Linda McCartney Professional Cycling Team.

Another fine maker in Le Locle, Ulysse Nardin, unveils its quick-setting GMT:Perpetual (designed by Ludwig Oechslin).

Along with its impressive single button chronograph, L'Espresso, Hermès (which opened its watch factory in Bienne last month) has a stainless steel gentleman's H-or watch and a Cape Cod automatic on a new bracelet.

Almost 60 per cent of Rado's output goes to the Middle East, and its New Bellissima line will be on show. This Bienne company has no fewer than five of its owning Marachly family working in it. This may be a contemporary record in Swiss watchmaking.

The Roamer Watch Co, in the baroque town, Solothurn, now under Rolf Wüthrich, chief executive officer, and owned by the Chung Nam Group, is building on its Power 8 series, and next week its quartz

Power Chronograph arrives in 12 versions.

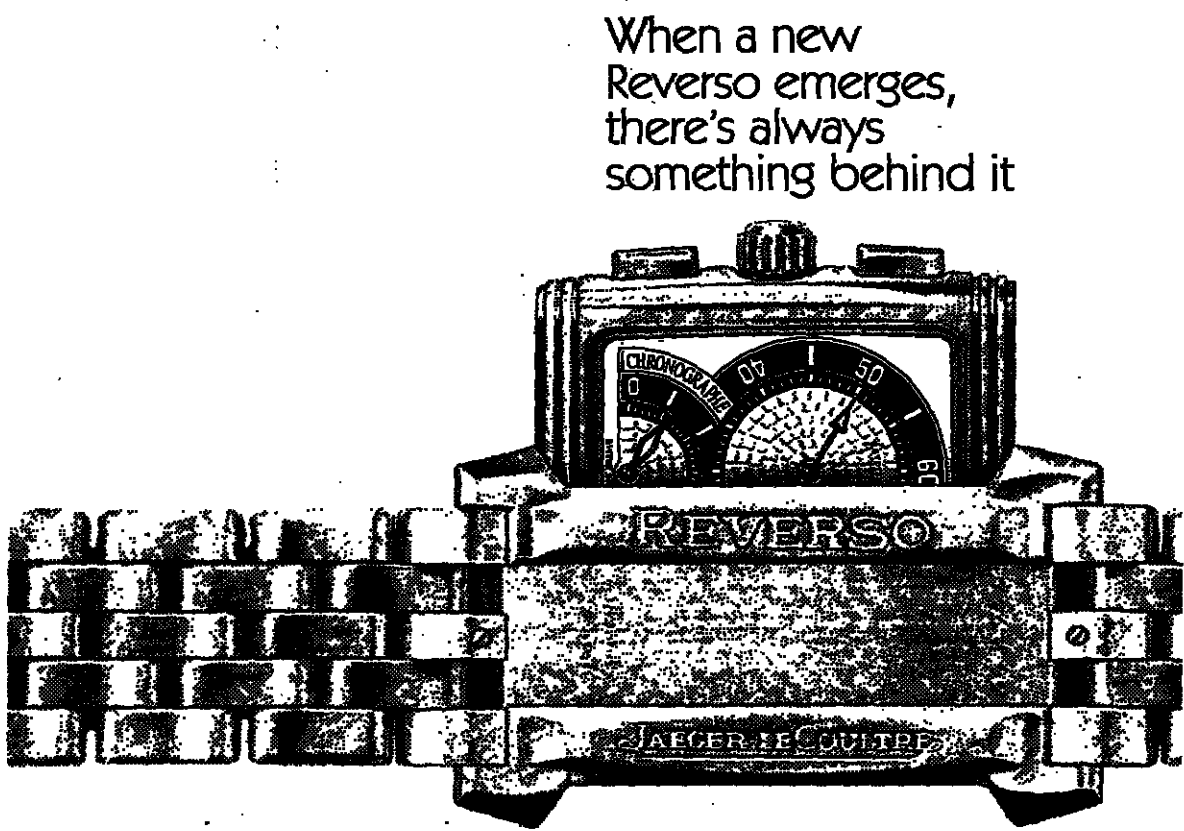
The Power range retails at under SF300. Long-established Rotary also prices competitively, and is displaying a new range of striking stainless steel quartz pieces which are less classical-looking than previous collections.

Chauvet and Ebel, both under Investcorp ownership, have new products in the gleaming showcases at Basel. And so do the re-awakened Delaneau, with its Golden Dream, First Lady and Louka watches, and Oris who have the new automatic Big Crown BC3 in its successful pilots' watch series.

Casio's Voice Recorder Watch is the Japanese maker's latest horological gadget, but now balances its catalogue with the new Futurist range, which is in fact retro in style. The Casio Holitz has a 200 entry memory in its databank, another digital wonder for busy professionals who might actually need its 29 time zones.

Citizen is featuring a stunning looking collection of retro digital and analogue watches on stainless steel bracelets, many with dial light functions.

The giant Citizen is also adding to its Eco-drive light-powered timepieces. The new Titanium Long Life model is well named; a fully charged watch has a power supply for 10,000 hours. It will last until after next year's Basel World Watch, Clock and Jewellery Show.



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The new Power 8 Pocket pendant watch from Roamer



Omega's De Ville Co-Axial Escapement Omega by George Daniels



## WATCHES, CLOCKS &amp; JEWELLERY 3

MILLENNIUM PRODUCTS by Michael Balfour

## Timely souvenirs for a new era

Timepieces are still regarded as the most 'beautiful and curious in texture of mechanical things'

The watch, clock and accessory industries are perfectly suited for the millennium celebration products and countdown timepieces are counting away seconds the world over as regularly as party plans are being finalised.

So it is just as well that popular sentiment has settled on January 1 2000 as the first day of the third millennium.

Many commentators hold that the present millennium of the Christian era ends on December 31 2000 thanks to Dionysius Exiguus, a sixth-century monk who recorded that Christ was born at the age of one.

Towards the end of the last century scholars won the day, and January 1 1801 was recognised as the first day of the present century.

But January 1 2000 it is. Dr Kristen Lippincott, curator of the Old Royal Observatory and director of the Greenwich Meridian 2000

Millennium Project comments: "There is no doubt that Greenwich, as the world's home of time, will become one of the main pilgrimage sites in the world for the Millennium year."

The Old Royal Observatory in Greenwich Park, on the edge of London, is permanent host to Greenwich Mean Time (GMT), being the site of the Prime Meridian of the world longitude 0.

It was chosen at a 26-nation conference in Washington DC in 1884, and every place on the earth is now measured in terms of its distance east or west of this line.

Before then most towns in the world kept to their own local times.

Alfred Dunhill was the first company into the millennial marketplace. In 1981 it launched its Millennium range of wristwatches, and this has evolved into a sleek-looking collection, with bezels fully

integrated into a variety of cases, and on a bracelet or strap.

These quartz watches have now been joined in the Alfred Dunhill catalogue by cufflinks and tiebars.

There too will be found a new range of AD2000 accessories. Alfred Dunhill, now part of the Vendôme Luxury Group, has also taken the name Longitude for an edition of 1999 pieces which include a fountain pen, globe cufflinks, a table light with clock (in the old Alfred Dunhill tradition), and a wristwatch. Each bears a red ball logo, recalling the red time ball that falls down a mast on the Old Royal Observatory each day at exactly 13.00 hours.

The Longitude Millennium wristwatch has an automatic movement.

The silvered dial has roman numerals and a moving red ball to indicate the hour; hands indicate the minutes and seconds. Each

model number, up to 1800, is engraved on the back.

The great English watchmaker John Harrison, much celebrated in films and books recently, wrote in 1787: "I think I may make bold to say, that there is no other mechanical or mathematical thing in the world that is more beautiful or curious in texture than this my watch or timekeeper for the Longitude."

The GMT's Perpetual by Ulysse Nardin is a complicated timepiece with what must be described as a timely name. Many makers employ GMT on dials, and the initials are generally legitimate.

Their manufacturers understand the mechanical consequences of the fact that the period of the earth's orbit around the sun is not 365 days, but 365 days, 5 hours, 48 minutes and 46.9778 seconds. The best of them have built into their products the fact that the year 2000 is, unusually, a

leap year.

Maurice Lacroix has this month added to its Masterpiece collection the Pontos GMT, in stainless steel with a fourth hand indicating the Greenwich Mean Time, irrespective of at which of the 24 world time zones the watch is set.

The Orbis Terrarum has been specially developed in Germany for the year 2000 by Dr Peter Grob, and is a bit unusual. This world timer, which is limited to just 200 pieces, has no watch glass, and the time is indicated by rotating discs, a central diamond and another on an outer ring.

The Grob wristwatch is in a category of millennium products that should hold their value once the fabled day is past.

A more widely known maker, Gerald Genta, has produced the Backtimer, a fine watch in this category, which features a countdown function displaying the number of days left until



The Backtimer by Gerald Genta counting down to 2000



The Longitude Millennium watch by Alfred Dunhill

The Accurist Greenwich Meridian 2000 Countdown Watch is officially endorsed by the Old Royal Observatory. It is a less expensive but is highly accurate.

These are just some of the millennial products on show at this month's trade fairs and retailers thereafter around all time zones. Perhaps the most convenient place to be at what most accept to be the start of the third millennium is the North Pole. There it is whatever time you choose.

LUXURY GOODS MAKERS by Alice Rawsthorn

## Fashion designers starting to clock on

Watches are now becoming an important part of business for the leading luxury goods makers

On a breezy day this spring, a posse of Parisian executives, led by Jean-Louis Pumas, chairman of Hermès, the venerable French luxury goods group, descended on the town of Bienne, north-west of Bern.

They were attending the official opening of the brand new factory where Hermès will manufacture the watches, which have become an increasingly important part of its business.

Founded as a harness maker in 1837, Hermès diversified into different types of leather goods during the early 1900s and produced its first wristwatch in 1927 along with what may have been the world's first designer dog collar.

Sharp-eyed customers can still find very expensive dog collars in Hermès stores on rue Fabourg Saint-Honore in Paris, or London's Bond Street, but, unsurprisingly, its foray into

wristwatches proved more lucrative.

Having begun by buying in watches from specialist manufacturers, Hermès set up its own factory in rented premises in Bienne during the late 1970s, and has just opened a wholly-owned facility which is three times the size.

"We have very high expectations for this side of the business," says Guillaume de Seynes, director of Hermès Montres and great-grandson of Emil Hermès, the man responsible for the introduction of the company's first wristwatch in the 1920s.

"Watches are already our fourth biggest product in sales terms after leather, silk

and ready-to-wear. We've made a significant investment in the new factory because we expect even faster growth in the future."

Hermès is not the only luxury goods group to be stepping up its investment in the traditionally specialist watch sector.

Gucci, the Italian fashion company, has aggressive plans for Severin Montres, the Swiss watch manufacturer it acquired 18 months ago for \$16m.

Calvin Klein, the US fashion house, also intends to expand the venture it launched two years ago with Swatch, another Swiss watch group.

These investments form

part of the expansion of the global luxury goods industry as fashion designers, like Calvin Klein, and artisanal houses, such as Hermès, seek to make the most of their marketing muscle by applying their brand names to a wider variety of products.

They also reflect the trend for consumers to regard watches, even expensive ones, as fashion-oriented products which they might buy because of their association with the visual identity of a particular designer or luxury label, rather than the technical expertise of a specialist manufacturer.

Gucci, for instance, added a watch collection to its

product range in the late 1970s, at roughly the same time as Hermès.

The watches were manufactured by Severin on a long term licensed basis until 1997 when the Gucci board decided to take advantage of the contract's impending expiry (in July this year) to buy the business rather than extending its licence.

"Severin was an important strategic acquisition for us because it enabled us to take control of a profitable part of our business that we can now make more profitable," says Domenico De Sole, Gucci's president and chief executive.

"Another factor was that

Tom Ford, Gucci's chief designer, is absolutely fanatical about making sure that every element of Gucci is consistent - our products, store design and advertising. To do that we need to own our operations, particularly important ones, like watches."

Having acquired Severin, Gucci has restructured the distribution side of its watch business by taking control of distribution in Italy and France, and preparing to do so in Japan.

It is now preparing to extend its product range by launching new models at the Basel fair, and introducing a new line of more expensive watches early next year.

Other fashion groups are now following Gucci and Hermès' lead.

Calvin Klein is a relative newcomer to the watch market, which it entered last year after setting up a new company, CK Watches, with the Swatch group.

Rather than settling for a traditional licensing deal, Calvin Klein took a 10 per cent stake in the venture (the remaining share are owned by Swatch) to ensure that it could exert closer control over product development, production, distribution and marketing.

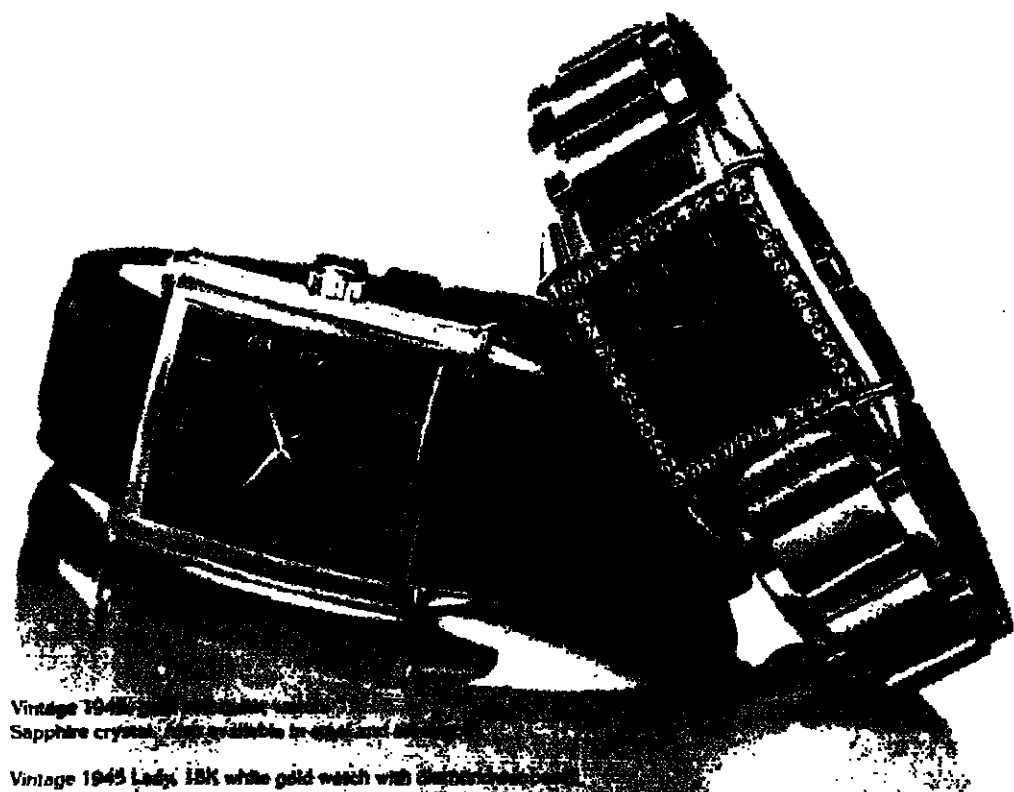
Arlette Elmh, president of CK Watches and a director of Swatch, says that,

so far, sales are running ahead of target.

Some 600,000 watches bearing the Calvin Klein and CK brand names were sold during their first year on sale in 1998, and sales are expected to top 1m in 1999 with the introduction of new models.

"We've been researching the market very carefully and there's clearly a trend, particularly among women, to buy watches in various styles and to coordinate them with different outfits, like any other fashion item," she says.

"Consumers still want the quality of the traditional Swiss manufacturers, but they also want the flair of a favourite fashion designer. That's the way the market's going. Pretty soon all the well-known designers will have watches, as a standard part of their product ranges."

VINTAGE 1945  
Collection

Vintage 1945 Lady 18K white gold watch with diamond-set bezel and sapphire crystal. Also available in steel and steel/gold.

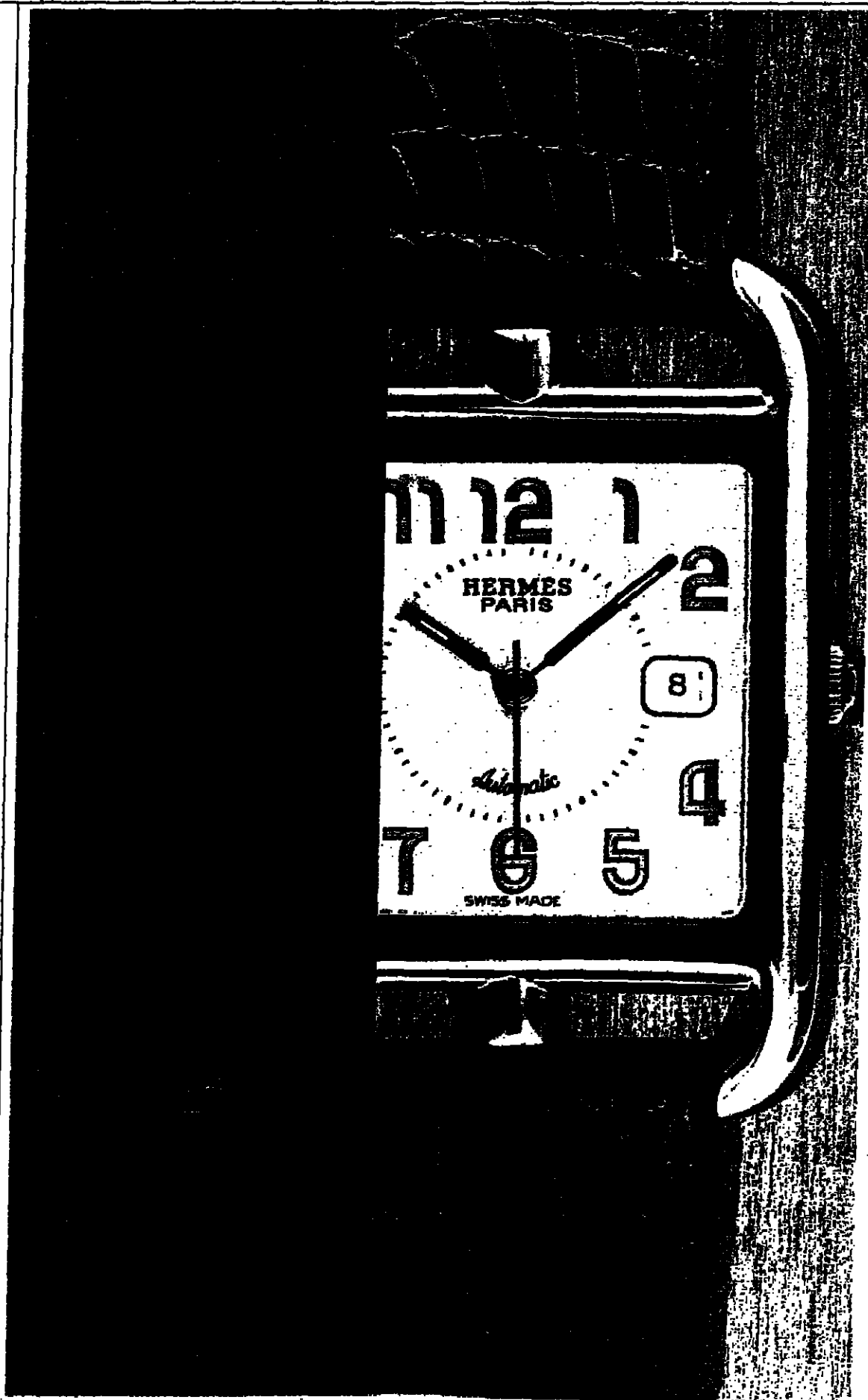
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PROFILE  
BREITLING

## Balloon record puts a seal on aerial niche

Breitling is among the four most copied watch brands in the world. This less than desirable achievement provides confirmation of the world-wide appeal of a dial name, and all that lies behind it, which has created for itself a niche in the market — one that it can claim to be all its own.

A more satisfying achievement is that the Grenchen-based company has scarcely deviated from the image it established in 1884 under founder Léon Breitling.

In the watchmaking town of St Imier timekeeping instruments with technical features such as stopwatch mechanisms came from his workshop. A larger factory was soon established in La Chaux-de-Fonds, and then in 1915, Léon's son Gaston produced the first wrist chronograph hand and 30-minute totalizer.

In the 1920s he patented an independent chronograph pushpiece and a 1/10th of a second totalizer, after experiments in the second world war with military watches. In 1934 grandson Willy Breitling oversaw the first modern mechanical chronograph, and such watches remain the company's biggest sellers.

Breitling's renowned Navitimer wristwatch was launched in 1952. This pilot's chronograph is preferred by collectors of early aviation timepieces to its early quartz-driven successor the Cosmonaute (1962). These specialised instruments for

professionals, as the company likes to call them, were a natural fit with the interests of pilot and transmitter specialist Ernest Schneider, who acquired Breitling in 1979.

Micro-electronic quartz and mechanical watch movements have driven Breitling to further successes in the worldwide market for sophisticated multi-functioning timepieces. Breitling's main markets: Germany, US, France, Japan and the UK are fuelled with distinct ranges.

Navitimer models include, at its top end, an automatic (self-winding) chronograph in an 18 carat yellow gold case, on a gold bracelet, with a black enamel dial (in the tradition of pilots' wristwatches) bearing silver subsidiary dials, with an recommended retail price (rrp) of £13,290.

The Navitimer Cosmonaute models now house mechanical (wind-up) movements, manufactured by its La Chaux-de-Fonds subsidiary, Kelek. Cosmonaute are the only mechanical watches in the Breitling catalogue, most of the rest being automatic, with some quartz.

Breitling's Chronoliner group of watches includes the Chronomet GT and Crosswind pieces, and also the Chrono Jetstream chronographs which all have quartz movements. The Professional range includes a truly innovative wristwatch called the Emergency. This quartz chronograph can save lives. It carries a microtransmitter, and is

intended for close-range localisation of pilots or passengers of aircraft, and other owners in distress.

It was first presented at the Basel Watch Fair in 1988, after being developed in response to NATO requests and in association with the French Dassault aviation company. In any situation demanding localisation, the wearer pulls out the concealed antenna of the miniaturised transmitter, which then broadcasts a beeping sound every 2.25 seconds for up to 48 hours. "Here I am, come and rescue me," is the unspoken message put out by the electronic James Bond-type gadget.

Flying is the passion, hobby and business of the reclusive Schneider family. Théodore Schneider, 43, the chief executive officer likes to relax by flying up to Scotland for a few days shooting with his father Ernest, now 78. Mr Schneider oversees an operation which employs about 100 people in Grenchen and sold more than 100,000 wristwatches in 1998.

A new building, over the railway line from its headquarters, opens this July. Ever more attractive and sophisticated chronographs are planned, all with full official chronometer test certificates and one-year guarantees. This month in Basel Breitling launches its B-2 model, an automatic glassproof chronograph with highly readable subsidiary elapsed time dials. It includes an



The Breitling Orbiter 3 scored a publicity coup

Ruben Sprich

aviation slide rule which, together with a minutes-to-hours conversion scale, is activated by turns of the bezel.

Switzerland's largest watch casemaker is Louis Lang. Vincent Lang, successor to his founder father, employs 550 craftsmen in Porrentruy, in the Jura mountains, near the French border, and Breitling is one of his important customers.

It happens that the youthful Vincent Lang's wife's sister Michelle is married to one Bertrand Piccard and thereby hangs a tale. It is a remarkable tale which concluded last month with one of the greatest world publicity coups of the 20th century.

The Breitling Orbiter 3 successfully achieved the first non-stop balloon flight around the world on March 20, after a 26,602 miles flight from Chateau D'Oax in

the Vaudois Alps, and it was manned by Bertrand Piccard and Englishman Brian Jones. Of course they each wore Breitling Emergency wristwatches.

It was the last gap to be filled in the aviation record book. Stefano Albini was Breitling's voyage director during the epic 20 days, and he helped achieve a pioneering ambition for Breitling's owners, the Schneider family. "We wanted to be known as the company which pushed back the frontiers of ballooning."

Such an astounding achievement can only have increased the value of a company completely dedicated to its aerial niche in the timepiece business, and one which has recently, like many independent watchmakers, been the target of takeover rumours.

Michael Balfour

SPORTS CHRONOGRAPHS by Michael Balfour

## Racing against the stopwatch

Watchmakers are an integral part of the sporting world

Watchmakers such as Longines and Omega arrived on the sports scene with race timing devices, and today every maker offers a choice of chronographs (stopwatches) to meet the most popular secondary function of a wristwatch.

Sometimes the winding crown operates the start/stop function. More often there is a single button (round, square or rectangular) above the crown, or two buttons (push pieces) above and below it, for interval timing.

Early, unusual or limited edition chronographs are the ones worth collecting, and many of today's large makers produced interesting chronographs from the 1930s and 1940s onwards.

The second world war caused many more to reach military wrists for the regulation of manoeuvres and battle procedures. Swiss watch chronograph brands active at this time, generally with stainless steel cases, included Angelus, Doxa, Gallet, Invicta, Le Phare, Minerva, Nicolet, Orator, Pierce, Record, Venus and Wittnauer.

Today their names are seen in auction rooms and sales but they survived for years after 1945 as watches to time sporting events. Collectors look out for Movado's Datathon (1975) and the (pre-TAG) Heuer Autavia from the same year. No early chronograph collection would be complete without a selection of good condition early examples from Breitling, Girard-Perregaux, IWC, Rolex and Ulysse Nardin brands which flourish today. And so does Zenith which in 1969 produced its still immensely respected El Primero movement, the world's first automatic chronograph.

Chronographs make acceptable prizes and presents at sporting events, and more especially if their sponsors are watchmakers. The 1999 Mille Miglia road rally next month along the windy Brescia-Rome-Brescia road is sponsored by Girard-Perregaux. TAG Heuer is another watch brand which is adept



Frederique Constant's Yacht includes countdown rules

at gaining exposure, through its Grand Prix racing spl second timing. TAG Heuer 6000 series chronograph is favoured by the drivers.

Hugo Boss has long been associated with Formula One: Jaguar-driving Wayne Baldessari, chief executive officer, adores the sport, and Boss chronographs fit the designer menswear image. The Hugo Boss Range model has a tough nylon strap, and is not expensive.

This week in Geneva Girard-Perregaux launch the S.F. Foudroyante in 75 pieces; S.F. stands for Scuderia Ferrari, to mark the 7 years since Enzo Ferrari started the great red company. Its new F1-048, limited to 1,000 pieces, will also be on show.

Corum's Admiral's Cup wristwatches have been aloft for some years. It is now joined among the yachting fraternity by the Yacht Timer, from the promising 11-year-old Geneva maker Frederique Constant. It is the only such wristwatch integrating the countdown system for regatta introduced at the 1996 Olympics.

Rolux has successfully used international sports stars and musical luminaries to promote its chronographs for longer than any other brand. Spanish-based Festina (it means "hurry up") devotes a large part of its annual marketing budget to cycling, and owner Miguel Rodriguez maintains a top-level cycling team to help along the 4m unit sales he achieved in 1998. Festina is the official timer of the Tour de France.

The cycling scene will be enhanced this year by the Linda McCartney Road Racing Team co-sponsored by Zenith. Some sports wristwatches have more discreet roles to play and Franck Muller's new Casino model is destined to be the object of hopeful glances beside green-baize tables with numbers, chips and cards on them. Its accuracy just might ensure a cost-saving "time to go home" mood occasionally. Savings are worth a gamble.

Jewellery by Mark Cockle

## In the hunt for millennium sparkle

The diamond trade will attempt to persuade more men to buy gifts which glitter

Over the past two decades jewellery retail sales worldwide have seen virtually uninterrupted growth and in the case of diamond jewellery, the major segment of this market, sales have more than doubled in that period to just over \$60bn last year.

Although diamond retail sales were down last year by around 3 per cent, the second annual decline in as many years, there is cautious optimism that retail sales are about to grow again.

After the economic turmoil in south east Asia, the near collapse of the Russian economy and the more recent financial crisis in Brazil, jewellery manufacturers and retailers had been expecting the worst this year.

But after a reasonably firm Christmas in the leading markets, the jewellery trade got off to a more positive start in 1999.

There are signs of diamond prices beginning to recover and even coloured gemstone dealers, who deal in a significantly smaller market, are seeing firmer trends as fashion this year dictates more colourful jewellery.

The millennium is also expected to provide a further fillip for the trade. Starting from this summer, and going well into the year 2000, jewellers worldwide will be doing their utmost to encourage people to buy that special gift for a loved one to mark the millennium.

Slack advertising campaigns are on their way, led by a \$60m push from De Beers, a well-seasoned master of marketing diamond jewellery. But we are not just talking about a gift for midnight on 31 December 31, 1999, we are talking about up to 32m engagements taking place in more than 30 developed markets next year. In addition, there will be a further 1.5bn celebratory occasions in that year including 40m weddings, 75m births, 850m wedding anniversaries and 900m women's birthdays.

De Beers has conducted considerable research and is convinced that there is a true consumer need to be filled around the millennium.

Not surprisingly women think that buying diamond jewellery for the millennium is a great idea. "The challenge, of course, is not the

women. The challenge is getting the men to buy," says Stephen Lussier, head of De Beers consumer marketing division, whose job it is to put that idea in men's heads.

The campaigns are aimed at reminding loved ones that they enter the new millennium together. Not even grandparents will be spared as this high-income group will be targeted too by encouraging them to give gifts to their grandchildren.

However, if you are still sceptical about the millennium effect, consider this: De Beers' limited edition of 20,000 specially polished diamonds to mark the millennium has already been pre-sold to leading jewellers and at healthy premiums to comparable stones.

De Beers is hoping that the millennium could increase diamond jewellery sales, in terms of pieces sold, by around 25 per cent on a normal year.

Whether there will be a buying frenzy from consumers is anyone's guess. But retailers will certainly need to make up their minds and have merchandise in stock by the middle of this year if they are to prepare themselves for a year-end rush.

De Beers can take full credit for the resilience of the diamond jewellery market. Since 1988 when New York's N.W. Ayer handled De Beers' first advertising account, the US has been the test bed for marketing of diamond jewellery.

The agency which gave De Beers the immortal slogan, "a diamond is forever", helped develop the engagement ring tradition along with other rites of passage jewellery which provided a bedrock diamond jewellery market no matter what was happening in the economy.

By the mid-1980s De Beers began to internationalise the US campaign, repeating its success in Japan, where there was no diamond culture, and Europe.

For most of this century diamond jewellery sales have kept pace with world economic growth.

At present the jewellery market seems to be polarised, "with the west in general performing well and the east remaining in great difficulty," says Mr Lussier.

Back in the early 1990s, there had been a significant shift in gravity in jewellery consumption towards the east.

Countries such as Taiwan,

Korea and Thailand had become bigger markets than Germany, France and the UK in terms of diamond content.

The strong US economy over the past five years has created the world's biggest jewellery market with American consumers contributing to buy higher-priced jewellery.

The US market, in terms of retail diamond jewellery sales grew by 9 per cent in 1998 compared with the previous year. It now accounts for 46 per cent of the world market compared to 30 per cent.

This strong growth has led many jewellery manufacturers and stone dealers to focus their marketing efforts on the US following the downturn in Japan five years ago and the recent collapse of several south east Asian economies.

Diamond jewellery sales in Japan declined last year by 19 per cent and it now accounts for only 20 per cent of the world market compared to a third several years ago.

Retail sales in the Asia region suffered a dramatic 45 per cent fall in the first half of 1998, although there was some slowing in the rate of decline in the second half, according to De Beers.

South east Asia now represents only 4 per cent of the world's diamond jewellery market against 7 per cent in 1997.

There is anecdotal evidence that the Japanese jewellery market is beginning to reawaken, and that Korea and Thailand could reach the bottom by the end of this year.

China, a jewellery market with enormous potential over the next decade, was the only country in south east Asia to register any increase in jewellery sales in 1998.

Europe is looking a brighter prospect this year after a 4 per cent growth in 1998 in diamond jewellery sales. Its share of the world market remained at 14 per cent.

Good economic growth in

the US and Europe last year helped to boost gold jewellery demand to an all-time record and augurs well for the rest of 1999, says George Millington-Stanley, the World Gold Council's manager of gold market analysis in New York.

Although gold jewellery demand fell by 22 per cent in several Asian countries in 1998, there were signs of some recovery taking place in the fourth quarter of last year, he says.

Demand for jewellery at the lower end continues to be bolstered by the growth of non-traditional distribution channels, including TV sales, electronic retailing, discount sales and more recently the internet.

In the US, this has led to such intense competition that the American consumer has no expectation of paying full retail prices for jewellery. The net effect of this is that it has eroded jewellers' margins and as a consequence this problem has been passed down the entire jewellery pipeline.

"The use of the internet by consumers to buy jewellery is relatively small and less than 1 per cent of all jewellery sold in the US is done through this medium," says John Keir, marketing director of Polygon, a leading Colorado-based website provider for the jewellery trade.

Buying jewellery on-line is mainly reserved for cheaper items but he admits that it is a growing market in the US. At the very pinnacle of the jewellery market, business remains buoyant. Companies such as Cartier, Tiffany's and Bulgari continue to show the strength of their brands, managing to buck the downward trends in the eastern Asian and Japan.

"Strong equity markets bode well for discretionary spending at the higher end of the jewellery spectrum," says Kimberly Walin, managing director of New York-based ING Baring Furman Selz LLC, which produces its own luxury goods stocks index.

"There is a trend for jewellery at the high-end to broaden out its appeal as people want to possess more accessories," says Ms Walin. This end of the luxury market has been quite strong since 1995 and despite the economic problems in Japan and the south east Asia demand in these regions has held up there quite well, she claims.

"Over the last decade, sales in the luxury sector have grown steadily each year, even in the downturn

of 1991. Luxury sales will continue to grow as long as global inflation remains in check and the equity markets remain positive."

Mark Cockle is editor-in-chief of The Basel Magazine

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